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Reportage on CIS Interparliamentary Session

Shumeyko Briefs Media

LD0906003494 Moscow ITAR-TASS World Service in Russian 1534 GMT 8 Jun 94

[By ITAR-TASS correspondent]

[Summary] St. Petersburg, 8 Jun—At a news conference following the conclusion of the session of the CIS Interparliamentary Assembly Council here, Council Chairman Vladimir Shumeyko said that it had drafted practical measures for implementing its resolution: "On The Role of the Interparliamentary Assembly of the CIS Member States and Its Tasks in Further Strengthening the CIS."

A decision was also made to call on the CIS parliaments to speed up the ratification of multilateral agreements concluded within the CIS and to call on the Council of CIS heads of state to take coordinated action to harmonize legislatures and prepare model laws on such issues as refugees and Afghan war veterans.

The session also heard a report by Medetkana Sherimkulov, head of the interparliamentary group on a peace settlement for Nagorno- Karabakh, on the results of the May 1994 Bishkek meeting on settling the conflict in Nagorno-Karabakh.

A decision was also made to hold the fifth plenary session of the Interparliamentary Assembly on 28-29 October 1994 in St. Petersburg, as well as an international conference on perfecting criminal law on the territory of the CIS.

Peacekeeping Discussed

LD0806130794 Moscow ITAR-TASS in English 1230 GMT 8 Jun 94

[By ITAR-TASS correspondent Viktor Shulman]

[Text] St. Petersburg June 8 TASS—"Peace is still too fragile and demands for the maximum results in the settlement of the six-year armed conflict are hardly acceptable," Russian Ambassador at Large Vladimir Kazimirov, who has been acting as the Russian president's special envoy to Karabakh, said at the session of the CIS inter-parliamentary assembly. He was speaking in the discussion of the Commonwealth's peace-keeping missions.

Kazimirov spoke after chairman of Kyrgyzstan's parliament Medetkan Sherimkulov reported on the work done by the CIS interparliamentary group led by him to promote the peaceful settlement in Nagorno-Karabakh.

Sherimkulov said in his report that since a cease-fire protocol was signed in Bishkek, the warring parties have observed its provisions in the zone of the Armenian-Azeri conflict in the past four weeks.

Civil Code 'Model' on Agenda

LD0806123594 Moscow ITAR-TASS in English 1202 GMT 8 Jun 94

[By ITAR-TASS correspondent]

[Text] St. Petersburg June 8 TASS—In line with a decision taken on Wednesday by the council of the CIS interparliementary assembly, the CIS private law research and consulting centre will begin to elaborate a model civil code of CIS countries.

This is expected to lay groundwork to bring the national civil legislations of the CIS countries closer together on such key economic integration-related matters as the legal status of commercial organisations, freedom of goods traffic and transactions, the proteciton of foreign investors' interests, the development of legislation on contracts and guarantees of the discharge of obligations, and the establishment of a similar procedure to resolve economic disputes.

A model civil code is to be referred for adoption to the CIS interparliamentary assembly session in October.

Admiral Urges Peacekeeping Forces

LD0806121994 Moscow ITAR-TASS in English 1138 GMT 8 Jun 94

[By ITAR-TASS correspondent]

[Text] St. Petersburg June 8 TASS—Vladimir Shumeyko, chairman of the council of the CIS interparliamentary assembly, and Admiral Aleksandr Mochaikin, representative from the headquarters for coordinating CIS military cooperation, recommended the participants of the session of the interparliamentary assembly's council, currently under way in St. Petersburg, to set up CIS peace- keeping forces.

Interviewed by ITAR-TASS, the admiral stressed the urgent need to set up such units. There are only Russian disengagement forces were on the territory of the CIS at present, but their status does not correspond to the U.N. mandate on peace-keeping forces. According to Mochaikin's forecast, not all the CIS nations will be ready to assign their troops for peacekeeping missions, but their contribution, he believes, could be financial or in the form of equipment deliveries.

In case today's appeal to the MPs to set up CIS peacekeeping forces is met, the question will have to be discussed at the level of the CIS council of defence ministers and council of foreign ministers so that corresponding proposals could be submitted to the next plenary meeting of the interparliamentary assembly.

Resolution on Servicemen's Legal Rights

LD0806121494 Moscow ITAR-TASS in English 1116 GMT 8 Jun 94

[By ITAR-TASS]

[Text] St. Petersburg June 8 TASS—The council of the interparliamentary assembly has adopted a resolution today on the importance of providing legal and social guarantees to international servicemen and their families.

The resolution was adopted on the initiative of the Ingush president and chairman of the committee for affairs of international servicemen under the council of heads of CIS states, Ruslan Aushev.

"The resolution, which affects the fate of over 700,000 people, was adopted by the council of the interparliamentary assembly practically without demur," said Vladimir Shumeyko in an interview with ITAR-TASS. He pointed out that the settlement of problems connected with legal and social aid to servicemen involved in wars and military operations in foreign countries encounter difficulties in the CIS. He came out for the improvement of the system of the realization of interstate legal acts of aid to veterans, adopted in the framework of the CIS, including control over their implementation by top legislative bodies of sovereign states.

Shumeyko expressed the hope that programmes, coordinated between countries of the CIS and connected with the welfare and health care of war veterans, will be given budgetary support.

ITAR-TASS Carries Press Review for 9 Jun

LD0906064194 Moscow ITAR-TASS in English 0510 GMT 9 Jun 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow June 9 TASS—ROSSIYSKIYE VESTI carries an article about Russian Defence Minister Pavel Grachev's current three-day visit to Transcaucasian republics. The visit began on Wednesday. The article is headlined "Will Russian Peacekeepers Be Brought to Abkhazia?".

"Fifteen hundred Russian peacekeepers are supposed to be brought to the area of the Georgian-Abkhazian conflict. Peacekeeping units from other CIS countries are to be brought to the region at subsequent stages of the operation to settle the situation there.

"Final decisionmaking is within the competence of the Russian president who chairs the council of the heads of state of CIS countries."

NEZAVISIMAYA GAZETA runs an article contributed by Russian Defence Minister Pavel Grachev under the headline "The Military Doctrine and Security of Russia".

Grachev explains the essence of the most important provisions of the military doctrine and peculiarities of the contemporary military-political and geostrategic position of Russia, determining basic approaches to ensuring her national security.

Touching upon nuclear weapons, Grachev pointed out as follows: "One of the paradoxes of the nuclear age is the fact that nuclear weapons while piling up in the arsenals of adversaries during the Cold War, assumed a new form of their existence as a political deterrent to a large-scale war".

KRASNAYA ZVEZDA (Red Star) carries an article about the Russian Defence Ministry's special control service which monitored foreign nuclear tests.

"The main method to detect underground nuclear explosions is a seismic one. Over a span of 35 years, the ministry's monitoring service recorded more than 600 various nuclear detonations at foreign test sites. They were conducted by the United States, France, China, Britain, and India.

"After the Cold War ended, nuke test monitoring problems did not diminish. Countries began to conduct only underground nuclear detonations of low and very low yield. There also emerged countries which are potential possessors of nuclear weapons".

KOMSOMOLSKAYA PRAVDA reports, referring to informed sources in the Russian Government, that "the question of Viktor Chernomyrdin's resignation from the premiership on health grounds and the appointment of Yuriy Skokov has been decided in principle in President Boris Yeltsin's entourage".

The newspaper's opinion is that Skokov's expected appointment is prompted by the fact that "the Russian parliament ceases to be controlled by the president. Therefore, most likely, Skokov, in exchange for his appointment to the premiership, promised Yeltsin to ensure the pilotage of the president-drafted bills through the State Duma".

TRUD runs an open letter by researchers from the Russian Academy of Medical Sciences to Prime Minister Viktor Chernomyrdin. The researchers urge him "to keep the established procedure for financing the academy as a separate item in the federal budget".

Researchers point out that "research funding has ceased. Funds assigned for the payment of salaries to the research staff and attending personnel in April-May 1994 accounted for 65 percent of the necessary amount. Russian medico-biological science, which once won world recognition, may be ruined and its restoration would take decades".

PRAVDA carries an interview with Olzhas Suleymenov, a prominent Kazakh poet and member of the republican parliament.

Touching upon the idea of establishing a Euro-Asian confederation, Suleymenov expressed the conviction that "a confederation or a union of independent states of Eurasia is a historical inevitability. The Commonwealth of Independent States is the threshold of such an entity".

The newspaper SEGODNYA (Today) comments on the incident involving the U.S. C-130 cargo plane which was forced to land at Adler by Russian jetfighters while on a flight from Frankfurt on Main to Tbilisi.

The paper points out that "in view of the break-up of the Soviet air defence system, Russia has to set up new air defence district boundaries, in the Caucasus in particular, which served as the subject of study by U.S. and NATO radio reconnaissance centres in Turkey. The presence of reconnaissance equipment on board the C-130 is not ruled o . According to onboard documents, the plane carried a diplomatic cargo, an inspection of which was scarcely probable".

Kozyrev, Brown Discuss Economic Cooperation

LD0806195094 Moscow ITAR-TASS in English 1900 GMT 8 Jun 94

[By ITAR-TASS correspondents Dmitriy Gorokhov, Nikita Yermakov and Igor Shchegolev]

[Text] Paris June 8 TASS—Russian Foreign Minister Andrey Kozyrev met with U.S. Secretary of Commerce Ron Brown in Paris on Wednesday to discuss bilateral cooperation between Russia and the United States.

The meeting was part of the preparations for a session of the Russian-U.S. joint commission on trade and scientific and technical cooperation to be held in Washington. The commission is co-chaired by Russian Prime Minister viktor chernomyrdin and U.S. Vice President Al Gore.

The Russian side calls for the soonest possible elimination of the vestiges of the Cold War hampering business partnership between Russia and the United States, Kozyrev's adviser Galina Sidorova said.

There are grounds to believe that these barriers may be removed by the United States in the near future. For its part the united States stressed the need to streamline customs tariffs and taxes in Russia. The two sides expressed the hope that Russia will create a favourable climate for foreign investors.

Kozyrev also met with Japanese Government representative Nobuo Matsunaga to discuss the situation on the Korean peninsula. Kozyrev pointed out that the world community should first use diplomatic means, including an international meeting, to solve the nuclear problem before imposing sanctions on North Korea.

More on U.S. Violation of Russian Air Space

PM0806154194 Moscow IZVESTIYA in Russian 9 Jun 94 p 1

[Report by Viktor Litovkin: "'American' Behaved Impudently"]

[Text] As the electronic mass media have already reported, on 7 June fighters from the Russian air defense forces forced a Lockheed C-130 aircraft belonging to the United States which had violated Russian air space to land at Adler Airport (Sochi).

Colonel General Viktor Prudnikov, commander in chief of the Russian air defense forces, confirmed this report. he said that the U.S. transport aircraft was detected by forces under his command at 1328 hours Moscow time in the center of the Black Sea. It was flying at an altitude of 6,000 meters in the direction of Russian territory. At a distance of 100 km from the country's state border the crew, as stipulated under international rules, was warned of the potential violation and was asked for its destination and flight course.

The "American" was silent.

The duty officers at the South Russian air defense command point put the reserve forces under their subordination on combat alert and reported the incident to the center, asking it to ascertain the situation, but the center knew nothing about this flight. It was not on the plan, no one had asked our specialists for air corridors. Moreover, the crew of the U.S. aircraft did not respond to signals from our central command point and, continuing to fly along its former course, was already 80 km inside Russian air space.

The air defense command decided to ban the Lockheed aircraft crew from flying over our territory. A flight of Su-27 fighter interceptors took off.

At the Russian Defense Ministry information and press directorate we were told that the Russian air defense forces fighters did not come any closer than 50 km to the U.S. aircraft. Nonetheless the foreign crew was warned that unless it fulfilled the orders from our military, prescribed by international rules, "the forces on duty would take action" against it.

IZVESTIYA was told by Colonel General Prudnikov, commander in chief of the air defense forces, that "the U.S. aircraft was forced to land." It made the landing at 1410 hours Moscow time at Adler civilian airport.

Russian competent organs have established that the Lockheed C-130 aircraft was intended to service the U.S. diplomatic missions in the Caucasus. It was flying from Frankfurt-am-Main (FRG) to Tbilisi.

The crew was unable to explain why it had violated our border.

After all the charges had been explained and the necessary documents had been compiled the crew was given permission to take off and at 1745 hours they left Russian territory.

First Deputy Foreign Minister Anatoliy Adamishin has, as we know, made a statement to Thomas Pickering, the U.S. ambassador in Russia, in connection with this incident.

Ambassador Pickering has promised to inform the U.S. leadership of the incident immediately and thanked the deputy minister for the fact that the Russian military did not shoot down the aircraft.

Circles close to the Russian Defense Ministry leadership have called the Lockheed crew's behavior "impudent."

Indeed, each day at Russia's Northern and Eastern borders, in direct proximity to its borderline, there are five or seven U.S. combat aircraft loitering on the verge of a "foul," carrying out surveillance and on combat duty, and, of course, keeping the Russian air defense duty forces in a state of heightened tension.

Our aircraft have not flown close to U.S. shores for a long time and do not come close to U.S. state borders. The Russian military believe that this situation does not help to strengthen the trust we so need.

Air Defense Commander Comments

PM0806165294 Moscow KRASNAYA ZVEZDA in Russian 9 Jun 94 p 1

[Report by Aleksandr Ivanov incorporating interview with Colonel General of Aviation Viktor Prudnikov, commander in chief of the Russian Air Defense Forces: "Russia's Skies Are Not a Passageway. Air Defense Forces Forced American Plane To Land"—date, place of interview not given]

[Text] There have been increasingly frequent instances recently of foreign aircraft ignoring the procedure for crossing the state border and for the use of airspace, penetrating deep into Russian territory and refusing to fulfill the demands of air traffic control organs. In the past two months alone, there have been seven such instances. The Air Defense Forces are obliged to take resolute measures against the violators.

And that is what happened on 7 June this year. At 1354 hours a Lockheed C-130 aircraft belonging to the U.S. airline "Rapid Aerotrans" entered Russia's 25-km border zone. It has emerged that the plane was on a flight from Frankfurt-am-Main to Tbilisi and had not filed the appropriate application.

The integrated air traffic control system's Main Center forbade the violator plane to fly over Russian Federation territory, but the Lockheed's crew ignored this order and penetrated 80 km into our airspace. Two Su-27 patrol fighters then took off from the Krymsk military airfield. But they did not get within 50 km of the target. On learning that the patrol forces had taken off, the U.S. violator plane declared its readiness to land at the nearest airport, and 16 minutes later it made a landing at Adler.

Our correspondent asked Colonel General of Aviation Viktor Prudnikov, commander in chief of the Air Defense Forces, to comment on the situation.

"Certain regions have emerged," the commander in chief stressed, "where violations of rules for the use of airspace have become frequent. First and foremost this is true of the North Caucasus. It is surprising, because everyone knows that before crossing a border, a plane must make contact with the relevant air traffic control organs and confirm its intention to enter the country's airspace. And that can only be done with permission. It is also well known that the appropriate applications have to be filed the day before the flight in accordance with the established procedure.

"The cases that have been occurring recently indicate that nobody is notifying anyone and that random incursions into Russia's airspace are taking place."

[Ivanov] What are the reasons why foreign aircraft fail to carry out the orders of the air traffic control services?

[Prudnikov] Some people have the impression that the former Union has broken up into independent states which are not yet quite ready to exercise proper control of their airspace. There are also elements of contempt for the existing rules. People sometimes think it will all pass off with impunity. So that nobody forms the desire to test our air borders or behave like hooligans in the air, I will say that these opinions should be refuted by actions. In some regions recently, where the situation so requires, we have stepped up our monitoring of the air. In order to establish visual contact with a violator plane we are obliged to bring our fighters to within a short distance of it, which could lead to complications regarding compliance with safety measures. I hope that appropriate measures will be adopted in the near future, first and foremost in the CIS countries, to prevent violations of the laws and ensure safe flights for all the aircraft using our airspace.

[Ivanov] In the present situation our state has to count every kopek. Additional measures by patrol forces against violators are costly. Is it not time to demand compensation for the economic loss sustained due to unlawful actions in Russia's skies?

[Prudnikov] Bringing in additional resources and sending up patrol fighters is certainly costly. We do the calculations and draw up an account for payment. But at a certain stage, apparently, there is insufficient insistence on the payment of compensation. I suppose if our state organs took a firmer stance on this, not so many people would be willing to commit violations. After all, intercepting every such flight costs the Air Defense Forces tens of millions of rubles. [interview ends]

[Ivanov] So the Air Defense Forces have shown that nobody can violate Russia's air borders with impunity. Defense Minister Army General Pavel Grachev has given a high appraisal of their patrol crews' actions.

Experts See 'Reconnaissance' Operation

MK0906084094 Moscow SEGODNYA in Russian 9 Jun 94 p 1

[Aleksandr Kudakayev report in the "Incident" column: "Russian Fighter Aircraft Force Landed a U.S. Air Force Plane"]

[Excerpt] [Passage omitted] On the evening of 7 June a Pentagon spokesman stated that the chain of events connected with the U.S. aircraft incident has not been accurately recreated yet. U.S. Ambassador to Moscow Thomas Pickering thanked the Russian side for "the tact and understanding" shown during the plane incident.

Some time ago an Israeli private plane was forced to land under similar circumstances. Some experts doubt that such frequent incidents in the same area are accidental. Rather this is a deliberate violation of the established

procedures for activating the air defense system in this region. Following the disintegration of the Union system, Russia had to create new border lines, in particular in the Caucasus, which have become a subject of study by U.S. and NATO electronic surveillance centers in Turkey. The presence of reconnaissance equipment aboard the C-130 is not ruled out. According to flight documents, there was a diplomatic cargo aboard the plane, and so its inspection was unlikely.

Motives of U.S. Haiti Policy Questioned

PM0806095994 Moscow KOMSOMOLSKAYA PRAVDA in Russian 8 Jun 94 p 7

[Sergey Zavorotnyy report: "U.S. Hand Has Not Grown Weary of Striking. U.S. Plans for Invasion of Haiti"]

[Text] Buenos Aires—A specter is haunting Latin America. The specter of a U.S. military invasion. The head of the U.S. Administration has dusted it down and set it in train. Bill Clinton seems to need to show his compatriots and the world at large that he is a real man and not just an accidental "occupant" of the White House apartments. How can the United States claim to rule the world if it cannot cope with the insolent Haitian dictator General Raul Cedras, who is refusing under any circumstances to return power to Haiti's legally elected president, Jean-Bertrand Aristide?

Pentagon specialists have already elaborated a plan for the occupation of Haiti. It is envisaged that the U.S. Marines would land first and carry out "surgical" strikes on and neutralize the Haitian Army. Having performed their mission, the Americans would leave and their place would be taken by inter-American forces created on the basis of contingents from the Latin American armies. Flying the flag of the United Nations and the OAS, they would be responsible for the main task of keeping the peace on Haiti and ensuring cooperation between the president as he returns to the country by foreign force of arms and the local bureaucracy.

Exiled President Aristide has long advocated the U.S. plan. Senor Caputo, UN and OAS representative on Haiti, is in favor of the invasion. But what about the Latin American countries? Will they agree to pull Washington's chestnuts out of the fire? At the moment only one country—Argentina—has given its assent. Its President Carlos Menem has long hankered after exploits in the Caribbean in company with Washington. An Argentine frigate is already off the coast of Haiti. The other states in Latin America still remember former U.S. expeditions to Grenada (1983) and Panama (1989). Following the U.S. occupation of Grenada little changed there. Poverty and corruption in the top echelons of power are still the most striking feature of the incumbent democratic regime. The Americans promised Panama they would liberate it from the domination of the international drugs mafia. Some 4,000 civilian lives were sacrificed to these promises. However, General Noriega has long been in jail yet Panama still remains a paradise for the drug barons' operations.

But who remembers that today when the occupation of Grenada boosted Reagan's popularity and the Panama operation turned Bush into one of the most popular of U.S. presidents? Today others' laurels are giving Clinton no peace.

Kozyrev Calls for Equal Partnership in World Politics

LD0806204394 Moscow ITAR-TASS in English 1959 GMT 8 Jun 94

[By ITAR-TASS correspondents Dmitriy Gorokhov, Nikita Yermakov and Igor Shchegolev]

[Text] Paris June 8 TASS—Russian Foreign Minister Andrey Kozyrev said on Wednesday that the Partnership for Peace programme has a role to play in building a unified Europe.

Meeting journalists at the Russian Embassy in Paris on Wednesday, Kozyrev said Russia wants to see cooperation with NATO without mutual vetoes and surprises. "Our cooperation with NATO has certain peculiarities because Russia differs from other countries in size, army strength and influence and is a nuclear power," he continued.

He said that military problems must not dominate the world agenda any more, otherwise it could lead to the re-militarisation of political relations in Europe.

The Russian minister called for holding a new meeting of the foreign ministers on Bosnia as soon as possible. It is necessary to hold it "within the next week or two" as proposed by President Boris Yeltsin in order to move closer to a political settlement of the conflict.

On the domestic front, Russia said it would send a peace-keeping contingent to Abkhazia within the next few days. Kozyrev said this decision has nothing to do with the imperial policy or irresponsibility. This is a normal policy of a responsible country which closely cooperates with the United Nations and the Conference on Security and Cooperation in Europe (CSCE) to settle regional conflicts, he added.

Seeking to play a greater role in world politics, Russia has been actively engaged in the preparations for the upcoming G-7 summit meeting to be held in Naples in July. Kozyrev said that the dialogue in Naples will consist of two parts. One will deal with Russian economic reforms and Russia's relations with G-7. It will be held in the seven plus one format.

The other one to be held in the G-8 format will allow the leaders of eight countries to discuss jointly, on equal terms, large problems of world politics, particularly Bosnia, the construction of a united Europe and the

upcoming session of the CSCE heads of state and government to be held in Budapest at the end of the year, Kozyrev said.

The Russian foreign minister has already met with U.S. Secretary of Commerce Ron Brown to discuss bilateral cooperation between Russia and the United States. He called for the soonest possible elimination of the vestiges of the cold war hampering business partnership between Russia and the United States. The meeting was part of the preparations for a session of the Russian-U.S. joint commission on trade and scientific and technical cooperation to be held in Washington. The commission is co-chaired by Russian Prime Minister Viktor Chernomyrdin and U.S. Vice-President Al Gore.

Countries Reacting Too 'Sensitively' to NATO Links

PM0906100094 Moscow ROSSIYSKIYE VESTI in Russian 9 Jun 94 p 3

[Commentary by Vyacheslav Yelagin: "Metamorphoses in European Policy"]

[Excerpts] After the Russian defense minister's visit to Brussels it became absolutely clear that Russia is going to join the Partnership for Peace program. In Pavel Grachev's words, this position was confirmed to him by Boris Yeltsin on the eve of the trip to NATO headquarters. NATO's leading circles breathed a sigh of relief, not least because Russia does not intend to put forward any prior conditions about the program. What is left now is to wait for the signing of the framework agreement, then, apparently, the presentation document will be elaborated and after that, possibly, will come the adoption of the Statement of Intent enshrining the desire of Russia and NATO to conclude a large-scale agreement on strategic partnership outside the framework of the program.

In that case the question of Russia's special role, as the West is signaling, will apparently not meet with any objections. I would like to hope that this viewpoint will be adhered to in those countries which have been reacting extremely sensitively to the problem of Russia's mutual relations with the North Atlantic Alliance. After all, Russia has every justification for such a role. In the first place it is a major European country with a mighty economic potential. Second, Russia is a nuclear power which moreover is not pursuing narrow, selfish aims with regard to its neighbors near and far. Consequently, Russia and the North Atlantic bloc simply cannot but cooperate closely in the discussion of topical European problems. That factor is increasingly beginning to be understood by sober-minded Western politicians. Many of them realize that Russia, despite the difficulties it is experiencing, remains a most important factor of regional security on the continent.

That was confirmed by the speech by Czech Defense Minister A. Baudys at an international seminar in Prague entitled "Security in Central Europe—Public Opinion." The speech expressed the idea of the need to take into account Russia's balancing role in Europe. Well, such an understanding deserves attention.

Unfortunately, by no means all politicians obey commonsense logic. At the same conference in Prague Czech Deputy Foreign Minister P. Bratinka, apparently in pique at his defense minister, spoke again about Russia's attempts to restore its "sphere of influence in Central and Eastern Europe" which, in his words, should be resisted by a firm NATO and EU policy toward Russia. In short, what we see here are diametrically opposed approaches by two leading figures in the Czech Republic, and furthermore, members of the executive structures. [passage omitted]

Varying assessments of Russia's policy are characteristic of other international meetings recently. That was clearly shown by the North Atlantic Assembly session in Oslo. For example, the representatives of the West European states and the United States finally expressed understanding for Russia's participation in peacemaking operations on the territory of the CIS countries. Meanwhile, their colleagues from Estonia and Latvia, who even there distinguished themselves by their attacks on Russia, still called such participation "neoimperialism."

New extremes have appeared in our as yet unbuilt common European home. It is primarily in Central and Eastern Europe that they are causing apprehension. This is the fear that the small countries might again become a target in a "geopolitical game" among the great and large powers. Is that not the reason for the extremely nervous reaction to the activation of Russo-German ties? The revived dialogue between Moscow and Bonn was yet again the reason that some familiar expressions from the times of bloc confrontation have begun to appear in the vocabulary of certain politicians.

Only one piece of advice can be given to such "strategists": Do not inflame unnecessary passions. Moscow is not weaving any intrigues or hatching any treacherous schemes against other countries. It would like to be integrated into Europe as an equal partner. But such integration presupposes a consideration of Russia's interests, too, for example, access for Russian experts to work on the new "COCOM" and the renunciation of all forms of pressure regarding Russia's export of arms to third countries. Then, you see, that would also remove some of Moscow's "imperial ambitions" which various foreign politicians and the mass media are so fond of expatiating about today.

Moscow To Send Peacekeeping Unit To Abkhazia

LD0806170894 Moscow ITAR-TASS in English 1657 GMT 8 Jun 94

[By ITAR-TASS correspondents Dmitriy Gorokhov, Nikita Yermakov and Igor Shchegolev]

[Text] Paris June 8—Russia will send a peace-keeping contingent to Abkhazia within the next few days, Russian Foreign Minister Andrey Kozyrev said.

Meeting journalists at the Russian embassy in Paris on Wednesday, Kozyrev said that no other country is ready to follow Russia's suit so far. The decision to send peace-keepers to the war zone has nothing to do with the imperial policy or irresponsibility, he added. This is a normal policy of a responsible country which closely cooperates with the United Nations and the Conference on Security and Cooperation in Europe, he said.

Yeltsin To Bypass Parliament in Deployment

LD0806191494 Tbilisi Radio Tbilisi Network in Georgian 1000 GMT 8 Jun 94

[Text] Georgian Information Agency correspondent Besik Pipia has reported from St. Petersburg, quoting reliable sources, that Boris Yeltsin is to sign a decree authorizing the introduction of peacekeeping forces to the zone of the Georgian-Abkhaz conflict. According to the above-mentioned sources, the peacekeeping forces will not wait for the decree to be approved by the Russian parliament before they embark on their peace mission.

Deployment Possible During Grachev Visit

LD0806172294 Moscow Ostankino Television First Channel Network in Russian 1400 GMT 8 Jun 94

[Excerpt] Two or 3,000 Russian blue helmets in Abkhazia and more than 1,500 in the Armenian-Azeri conflict zone may be introduced by Russia in the near future. They will help the cease- fire and the disengagement of the combatant sides. This is primarily what Defense Minister Grachev will talk about. An informed source in the Georgian leadership does not rule out the possibility of the peacemaking operation in Abkhazia starting during Grachev's visit to the republic. [passage omitted]

Details Finalized

LD0806130994 Moscow Russian Television Network in Russian 1200 GMT 8 Jun 94

[From the "Vesti" newscast]

[Text] In an interview with Georgian radio, Georgian head of state Eduard Shevardnadze has said that the matter of putting peacekeeping forces into Abkhazia is decided. This has been confirmed once again by Russian President Boris Yeltsin in a telephone conversation, and details are now being finalized for this operation, which will unfold just as planned. Any breakdown in the peacekeeping operation would undermine the authority of the Commonwealth of Independent States as a regional organization and would be a great blow to Russian policy, the Georgian head of state stressed.

Shevardnadze noted that a breakdown in the peace process would affect Russia deeply, as Russia's ethnic interest has preserved its status as a peacekeeper in the former USSR.

Grachev Leaves for Caucasus Republics

LD0806143294 Moscow INTERFAX in English 1329 GMT 8 Jun 94

[Text] Today Russian Defense Minister Pavel Grachev left for the Caucasian republics on a working visit in order to discuss with the Armenian, Azerbaijani, and Georgian leaders issues on the establishment of Russian military bases on the territory of their countries, Grachev's aide Yelena Agapova told INTERFAX.

Grachev will first stop in Yerevan and meet Armenian President Levon Ter-Petrosyan. Subsequently, Grachev will meet Georgian leader Eduard Shevardnadze in Tbilisi.

The Azerbaijani leadership has asked Grachev to come to Baku in order to speak to Azerbaijani President Geydar Aliyev.

Russia intends to have about thirty military bases and facilities in neighboring countries, namely, three in Georgia, two in Armenia and a station for warning against a military attack in Azerbaijan.

During his meetings with the Caucasian leaders Grachev is expected to discuss peace-keeping operations in Nagorno-Karabakh and in the zone of the Georgian-Abkhazian conflict.

Well-informed sources in Tbilisi suggested in an interview with an INTERFAX correspondent that during Grachev's visit to Georgia the peace-keeping operation may begin in the zone of the Georgian- Abkhazian conflict. The same sources said that at the first stage the conflicting parties would be separated by the Russian units stationed in Caucasus.

Kozyrev: Meeting on Bosnia Should Be Moved Up

LD0806173194 Moscow ITAR-TASS World Service in Russian 1537 GMT 8 Jun 94

[By ITAR-TASS correspondents Dmitriy Gorokhov, Nikita Yermakov, and Igor Shchegolev]

[Text] Paris, 8 Jun—Russia proposes the holding of another foreign ministers' meeting on a settlement in Bosnia-Herzegovina should be moved up. This was stated today by Andrey Kozyrev, head of the Russian foreign policy department, speaking to journalists at the Russian Embassy in France.

Today's exchange of opinion with French Foreign Minister Alain Juppe and other colleagues on the efforts of the "contact group" on Bosnia convinces one that the difficulties in its work should not serve as pretext for postponing the meeting of ministers, he pointed out. On the contrary, "in the next week or two" a second meeting of ministers on the Bosnian problem should be held. "It is clear that a political level is needed, first of ministers, and then also of the leaders of the countries in keeping with the initiative of President Boris Yeltsin, in order to

bring forward a political resolution of the conflict," the head of Russian diplomacy stressed. "The 'contact group' was able to do some important preparatory work, but it cannot replace the ministers." So, in his opinion, a ministerial meeting should not be postponed.

The first such meeting was held in Geneva on 13 May with the foreign ministers of Russia, the USA, and five countries of the European Union participating.

Diplomat Says Geneva Talks on Bosnia 'Fruitless'

LD0806153994 Moscow INTERFAX in English 1354 GMT 8 Jun 94

[From the "Diplomatic Panorama" feature by correspondents Igor Porshnev, Vitaliy Trubetskoy and others]

[All quotation marks as received]

[Text] Moscow hopes that the United States and Russia's other western partners will exert their influence on the Bosnian Moslems and Croats in order to reach a ceasefire agreement in Bosnia and Herzegovina, a top-ranking Russian diplomat in charge for the settlement in the former Yugoslavia said in his interview with Interfax.

In his words, the Geneva meeting between the special envoy of the UN General Secretary Yasusi Akasi and representatives of the confronting Bosnian parties was fruitless. "Moslems and Croats agree only to a quadripartite ceasefire with its possible prolongation for four weeks. The Bosnian Serbs are ready to cease fire at least for four months," the diplomat indicated.

As he said, "fears that the Serbs would try to preserve the status-quo and to fix themselves on 70 percent of Bosnia and Herzegovina stand behind the obstinacy of the Moslems and Croats." "One cannot say that these fears are groundless. The threat of "an ethnic cleansing" in Bosnia and Herzegovina is still preserved and all confronting parties are the source of this threat, noted Interfax interlocutor. But it is quite obvious that nobody will let the Serbs violate the proportion of division which was coordinated at the ministers' meeting in Geneva; in accordance with this agreement the Serbs will receive 49

and the Moslem-Croatian federation—51

of the territory of this former Yugoslavian republic."

According to the diplomat, "one cannot permit that the fears of one of the parties would "suspend" the process of peaceful settlement in Bosnia." "In an adverse case the world community will be forced to begin everything from the very beginning," he said.

Foreign Ministry Praises Libyan Actions on Aozou Strip

LD0806202094 Tripoli JANA in English 1816 GMT 8 Jun 94

[Text] Moscow, al-Sayf [June] 8 (JANA)—Russia commended the execution of the decision of the International Court of Justice regarding Aozou between the Great Jamahiriyah and Chad.

The Russian Foreign Ministry said in a statement that the implementation of the ruling will open up a new era for Africa.

Observors believe that the wide international commending of the stance of the Great Jamahiriyah which responds to all international conventions and decisions did not come out of vacuum but it showed the firm and principled commitment which became clear through the way the Great Jamahiriyah dealt with some issues between herself and other countries including the continental shelf case with sisterly Tunisia and the republic of Malta and recently with Chad through the implementation of the ruling of the International Court of Justice regarding Aozou.

Moscow Supports Security Council Ban on Weapons to Yemen

LD0806203594 Moscow ITAR-TASS World Service in Russian 1400 GMT 8 Jun 94

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[Text] Moscow, 8 Jun—Russia favors the unconditional observation of the provisions of the UN Security Council resolution of 1 June this year on banning weapons' supplies to Yemen. The ITAR-TASS correspondent was told this today by Grigoriy Karasin, director of the Russian Foreign Ministry's department of information and the press. He said that it was in the common interests of the world community "to deprive the internecine conflict of fuel." The warring sides, he said, should finally heed the voice of reason, cease the senseless destruction of their own country, and return to the path of political dialogue.

Despite the efforts to stop the bloodshed, the official spokesman of the Russian foreign policy department said, reports are continuing to come from Yemen about large-scale combat actions and more deaths and destruction. In this connection, he stressed, Russia welcomes the efforts to achieve a normalization of the situation by the UN Security Council, the League of Arab States, the countries of the Persian Gulf, and other international mediators, and Russia confirms its readiness to coordinate actions toward the soonest possible cessation of the fratricidal conflict.

Baturin on Chinese, DPRK 'Espionage' Against Russia

PM0806145894 Moscow IZVESTIYA in Russian 9 Jun 94 p 3

[Report by Aleksandr Shalnev: "Russia Has Become a Proving Ground for 'Exotic Intelligence Services'"]

[Text] The Russian authorities are concerned about the espionage activity being conducted against us by Asian countries, in particular China and North Korea. Yuriy Baturin, national security adviser to the Russian president, told foreign journalists this.

As he put it, "this problem has arisen comparatively recently and is capable of being solved. We have discussed it at various levels with various departments. And now measures are being adopted to prevent the leakage of technologies, in particular dual-purpose technologies."

To illustrate the espionage problem, Baturin reported that "in the past five months" Russian counterintelligence has caught red-handed a North Korean spy who was operating under diplomatic cover. No theft of technologies by the Chinese has been observed this year, he said, although he added that there have been cases where the competent organs have discovered "approaches to top secret facilities." In these situations, preventive measures have been adopted.

Informed sources in Russian counterintelligence, commenting on the presidential adviser's remarks, confirmed that "Russia has today become a proving ground for all kinds of intelligence services, some of them exotic. The intelligence services operate in a brazen and barefaced manner." The sources declined to comment on the detention of the North Korean or to cite examples of operations against Russia by the Chinese. "As regards the Chinese," the sources stressed, "we are especially concerned about the spread of Chinese criminal structures, in Maritime Kray in particular. [no closing quotation marks as published] It was also stressed that the existing system in China enables Beijing to make use of any citizens, whatever their status, in the interests of intelligence work.

On the subject of espionage, Baturin explained the problem, in part, in terms of the economic situation in Russia. "I am convinced," he observed, "that if our specialists were guaranteed more appropriate living conditions, there would be no need for more active counterintelligence activity, nothing would find its way to China via these specialists, and they themselves would never leave for China."

The president's adviser also noted the wide scale of illegal immigration by Chinese people to Russia, taking place mainly via the former Union republics (in particular Kazakhstan), which are not capable of property controlling their borders with China. As Baturin stressed, the Kremlin is interested in an agreement with Kazakhstan that would enable Russia to organize tougher security measures on the borders.

Foreign Ministry Seeking To Solve DPRK Nuclear Problem

LD0906134994 Moscow ITAR-TASS World Service in Russian 1220 GMT 9 Jun 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshey]

[Text] Moscow, 9 Jun (ITAR-TASS)—Russia is taking steps aimed at unblocking the situation around the DPRK by political methods. This was stated at a briefing today by Grigoriy Karasin, director of the department of information and press of the Russian federation Foreign Ministry in connection with the recent deterioration of the DPRK's nuclear problem.

"This approach," he noted, "envisions the need for Pyongyang to ensure the IAEA has access to the relevant facilities and information by the agreed deadlines and the convening of an International conference for a comprehensive examination of the problems of security on the Korean peninsula. If these diplomatic efforts are not successful the sanctions proposal will have to be examined."

Replying to a question regarding relations and economic cooperation between Russia and North Korea, Grigoriy Karasin said that "relations with the DPRK are developing in a normal way, cooperation is continuing, including on the question of the work of the lumberjacks on Russian territory." During the talks which were held between representatives of the Russian and DPRK Foreign Ministries it proved possible to settle a number of questions, he added.

Sanctions Against DPRK To Be Avoided

LD0906151494 Moscow INTERFAX in English 1358 GMT 9 Jun 94

[From the "Diplomatic Panorama" feature]

[Text] Deputy Russian Foreign Minister Aleksandr Panov believes the matter will not get to international sanctions against North Korea. He made the statement on Thursday in an interview with INTERFAX.

According to Panov, Russia's stand concerning the possibility of international sanctions is unchanged: Moscow stands for political methods to be used first. If the talks between the United States and North Korea have deadlocked, let's come to an international multilateral consultations. If it fails, there first should be a warning on the possible introduction of sanctions, and only after that sanctions, said Panov.

He said that during the telephone talk on Wednesday between Presidents of Russia and South Korea, Boris Yeltsin confirmed the position, which was told to Kim Yong-sam during his recent visit to Moscow. Panov

believes the introduction of sanctions now that North Korea began to show a more favorable attitude to the Russian proposal on the convocation of an international conference, would be illogical.

The diplomat said the interests for the conference was growing since this is a realistic way out of the situation. Now practically no one stands against the conference. The differences are only in time limits, he said. Some people believe the conference should be held after sanctions are introduced against Pyongyang. But this is a strange approach. What conference could we talk about after the sanctions are introduced?

Panov believes that the initial stage of the conference could be held swiftly. First we should reach a consent in principle. If so, it would be possible to come to agreement on what conditions the conference will assemble. North Korea and the United States, for example, could assume some commitments after which experts would start working over the conference program and procedure items, he said.

He said that the question on the conference venue had been discussed. We believe the conference could gather in Geneva and later pass in turns in Pyongyang and Seoul, he said.

According to Panov, Russia stands for the convocation of a conference not because it is against the talks between the United States and North Korea. We stand for the use of all means. It is possible to use the Moscow-Pyongyang talks if it is still possible, if it will really be fruitful. Now the channel is blocked, said the diplomat.

According to him, Beijing believes otherwise and continues staking on further talks between North Korea and the United States. We do not rule out the importance of the channel. We believe it works no longer, said Panov.

He said that no one confirms yet that North Korea has a nuclear bomb. The International Atomic Energy Agency has not yet concluded that North Korea created nuclear weapons. According to the statement by the Agency it cannot guarantee that North Korea did not take steps to develop Plutonium. This is the essence of the problem, said Panov.

He said of principle for Russia is the preservation of the nuclear weapons non-proliferation. It is outside our interests that in the Far East, near Russian borders, there appeared another nuclear power, said the diplomat.

To the question about the treaty between North Korea and the former Soviet Union, of which Russia is the successor, Panov said that now the treaty does not exist in full measure. The treaty must change depending on the situation and circumstances. Now we unilaterally interpret the first article of the treaty. Now Moscow must not help North Korea under any circumstances, he said.

The diplomat answered favorably to the question on the possible unification of the two Koreas. This has always been a single state and a single people. The unification is possible, of course. It is quite another matter how things will pass and how much time this will take. Much time, I believe, said Panov.

Commentary Notes Russia's Role in DPRK Issue

SK0906094194 Moscow Radio Moscow in Korean 1200 GMT 6 Jun 94

[Text] The United States, Japan, and the ROK have suggested that the UN Security Council hold urgent discussions over the issue of imposing sanctions against the DPRK.

Our station commentator (Grichevsky) has written the following:

The situation surrounding Korea's nuclear facilities is worsening. It has been directly caused by the following:

At the moment, North Korean experts are quickly removing nuclear material used at the atomic reactor in Yongbyon.

If this work proceeds at such a pace, the International Atomic Energy Agency inspectors will lose all chances of (?inspections) and will not be able to guarantee that the DPRK has not diverted nuclear materials for military purposes. Therefore, the issue of imposing sanctions against the DPRK has been raised again.

The United States, Japan, and the ROK are calling for an immediate imposition of sanctions. Also joining them are other countries such as Australia and France.

By the way, another storm surrounding the DPRK's nuclear facilities seems to be largely connected with another factor, that is, Russia's position. This position was (?expressed) during the Russia-ROK summit held not long ago.

President Yeltsin said Russia would join in the imposition of sanctions only in the extreme case that all possibility for talks was completely gone and that the DPRK withdrew from the Nuclear Nonproliferation Treaty. President Yeltsin's remark has already been distorted by many mass media as an agreement to the imposition of sanctions.

The solution to the Korean peninsula nuclear issue depends a lot on Russia. Some people even emphasize that Russia has the key to the very solution of the issue and knows how to use such a key.

Nothing can be said about that mysterious key but, as far as Moscow's position is concerned, we can definitely state that Moscow is going to find a peaceful, steady solution to the issue. We would like to point out that only in an extreme case would Russia join in the imposition of sanctions.

In fact, as all possibilities have now been used, Russia has put forth a proposal for holding an international conference over this issue, a matter of concern of many countries.

The ROK agrees to the holding of an international conference.

U.S. President Clinton has emphasized that it is good to hold such a conference (?at an early date). The expression is very vague, and a question is arising soon as to whether the time will come when sanctions will be imposed on the DPRK.

Beijing is also very concerned about the situation on the Korean peninsula. But, the remarks by Chinese leaders express the hope that Korea's nuclear issue will be peacefully settled.

China's support to Russia's proposal for an international conference will undoubtedly be able to play an important stabilizing role.

It surprises us that Pyongyang is rejecting the idea of holding an international conference. They are also calling for talks between the DPRK and the United States, while saying that they are trying to settle the dispute by way of talks. The United States does not agree to this.

Therefore, the prospect for a peaceful settlement of the situation of the Korean peninsula is that the situation is going further into a deadlock. It is needless to say how dangerous this is to the whole Asian and Pacific region.

Commentary Opposes Economic Sanctions Against DPRK

SK0906020894 Moscow Radio Moscow in Korean 1200 GMT 8 Jun 94

[Commentary by (Anatoliy Botakov) from the "Today's World" program]

[Text] The International Atomic Energy Agency's [IAEA] letter to UN Secretary General Butrus Butrus-Ghali is being discussed by the UN Security Council.

The United States, Japan, and the ROK are vigorously trying to impose economic sanctions against Pyongyang. Considering that the PRC might veto the decision, the United States is evaluating the possibility of so-called sanction measures to apply economic pressure. First, the measure bans all contracts related to weapon sales. The embargo does not include coal and petroleum. The economic sanction measures are another means to obtain UN Security Council approval.

Russia reminds them of the fact that gradual and phased sanctions by an international organ would not be opposed when all other measures have failed. Considering the PRC position, I think making a decision on an embargo by the UN Security Council would be impossible at the moment.

Therefore, it is urgent to convene an international conference for the security and denuclearization of the Korean peninsula as proposed by Russia. The conference may be attended by the representatives of the DPRK, South Korea, Russia, the United States, the PRC, Japan, the United Nations, and the IAEA. The conference should be an authoritative conference that contributes to ending the dangerous confrontation on the peninsula and enables the DPRK to express its concerns during the progress.

U.S. President Clinton had a telephone conversation with Boris Yeltsin last week and said that the conference may be appropriate at a certain time. I would like to ask him what is the appropriate time? Is it after sanctions are imposed? I doubt anything could be achieved at that point.

In addition to its proposal, Moscow is prepared to evaluate other coordination measures. However, all possible political measures should be taken.

There are reports that the United States, Japan, and South Korea are preparing three-party sanctions against Pyongyang without a UN decision. They should not forget that Russia has great economic and trading interests in the DPRK.

When independent three-party sanctions are imposed, Russia will be in a position to consider its own legal interests.

Paper Sees 'Political' Exploitation of DPRK Issue

PM0906104194 Moscow KOMSOMOLSKAYA PRAVDA in Russian 9 Jun 94 p 7

[Mikhail Morozov commentary: "Korean Bomb Gives Whole World a Headache"]

[Text] Almost 10 years has gone by since the concept of the "Korean nuclear problem" was invented, which, to the man in the street, means the possession of a bomb by the "unpredictable regime in North Korea." In that time both international organizations, including the United Nations, and the press have talked sometimes of a bomb that has already been created, and have sometimes said that it is on the point of being manufactured. However, so far no one has produced evidence of the bomb—neither the Americans, nor the Koreans themselves. Pyongyang is continuing to insist that it is not even dreaming of having its own nuclear cudgel. Meanwhile, the United States is preparing to implement economic sanctions against the DPRK and persuade the rest of the world to do the same—the Americans themselves have never had trade dealings with the DPRK. There has even been some talk of a military solution to the problem.

It is hard to object to sanctions, which could solve the problem, although they threaten the emergence of yet another hot spot on Russia's borders. But will sanctions provide the answer to a number of very important questions?

First of all, why has Pyongyang taken such a long time to furnish itself with a nuclear bomb (the first nuclear reactor in the DPRK was started up in 1965)? Why, by

analogy with the "Korean nuclear problem," does the world not know about the "Israeli," the "Pakistani," or anyone else's problem? No one can guarantee the absence of a bomb in those states. How much will it cost Russia to suddenly discontinue economic relations with the DPRK as a trade partner of many years' standing? The wise Chinese will most likely refuse to participate in the sanctions. Why at the time was there no such concern about the acquisition by Pyongyang of MiG-29 aircraft? After all, it is clear to the most pathetic expert in distant France or Great Britain that the use of these airplanes (with conventional weapons) against the nine nuclear electric power stations in South Korea is no less dangerous than the detonation of a nuclear munition.

It is also unclear why all the "interested" parties, including the DPRK, have unambiguously failed to support the Russian idea to convene an international conference to break the "deadlock," while the United States is moving increasingly toward the use of coercive methods. Is not the present massive pressure on the DPRK connected with the U.S. President's statement that the campaign for freedom which began with the landing of the allied troops in Normandy in 1944 did not end with the demise of the USSR? You get the impression that the United States, Japan, South Korea, and indeed Pyongyang itself are not worried by the problem as such of the nonproliferation of nuclear weapons, but that each of these countries is exploiting it merely to achieve its own political ends.

Kozyrev Meets Japanese Foreign Ministry Representative

LD0806214294 Moscow ITAR-TASS World Service in Russian 1440 GMT 8 Jun 94

[By ITAR-TASS correspondent Andrey Varlamov]

[Text] Tokyo, 8 Jun—Russia and Japan have confirmed the common policy of the two countries of developing bilateral relations and continuing talks on the territorial problem and also their readiness to coordinate efforts in the matter of settling the crisis situation regarding the DPRK nuclear programme. An ITAR-TASS correspondent was informed at the Russian department of the Japanese Foreign Ministry that this was discussed at a brief meeting between Andrey Kozyrev, the RF [Russian Federation] foreign minister, and Nobuo Matsunaga, special representative of the Japanese Government to the international talks, which were held in Paris today. They are taking part in a session of the Organisation of Economic Cooperation and Development, which is being held in the French capital.

The Japanese representative noted that a certain amount of progress has been achieved in advancing the political and economic dialogue between the two neighbouring countries since the visit by Boris Yeltsin, the RF president, to Tokyo and stressed the need for the further development of Russian-Japanese ties on the basis of the "Tokyo declaration" which was signed on the results of the summit in October 1993.

The Russian minister confirmed the invitation for Tsutomu Hata, the Japanese prime minister, to make an official visit to Moscow this year. However, according to the Japanese Foreign Ministry staffer, the sides did not touch on the issue of specific dates for the possible trip.

Japanese Aid To Help Build Radioactive Waste Facility

OW0906055694 Moscow Russian Television and Dubl Networks in Russian 0600 GMT 8 Jun 94

[Announcer-read report over video; from the news segment of the "Dalniy Vostok" program]

[Text] Japan could have begun construction of a maritime complex for the storage and processing of liquid radioactive waste from the Pacific Fleet in Maritime Kray in June [sentence as heard]. A corresponding intergovernmental agreement has been concluded and construction will be financed from the $100 million which Japan has earmarked as aid for Russia and the CIS countries for dismantling nuclear weapons.

Selection of a maritime waste storage system was conditioned by the Maritime Kray people's opposition to storage of radioactive substances on land. In this way Tokyo will contribute to speeding up the stalled process of nuclear disarmament in the Far East, particularly where nuclear submarines are concerned, since only the unsolved problem of liquid radioactive waste is hampering their dismantlement. Presently the tanker TNT-5 [on which liquid waste is stored] has been moved from the bay near Bolshoy Kamen village further south to Pavlovskogo Bay.

State Duma Ends Hearings on Border; Mulls Japan Treaty

OW0906061794 Moscow Russian Television and Dubl Networks in Russian 0600 GMT 8 Jun 94

[Announcer-read report over video; from the news segment of the "Dalniy Vostok" program]

[Text] Parliamentary hearings devoted to an analysis of the condition and problems of the Russian state border have ended. The State Duma Committee for Geopolitics adopted a decision to set up a working group of qualified experts to comprehensively assess the possibility of concluding a peace treaty with Japan, taking into consideration the 1956 declaration on Shikotan and Habomai.

As you know Russia signed this declaration in which the turnover of the islands of Shikotan and Habomai to Japan is stipulated as a condition for the signing of the peace treaty. State Duma deputies do not rule out the possibility of finding a compromise version in the territorial dispute with Japan.

Border Guards Fire Warning Shots at Poachers Off Kurils

LD0806210894 Moscow INTERFAX in English 1805 GMT 8 Jun 94

[Text] Poachers tried to enter the Russian waters off the isle of Kunashir in the Russian Far East on 14 occasions from June 1 to 6. They approached from the Japanese island of Hokkaido without identification signs or navigation lights in poor visibility.

The Russian border guards had to fire warning shots, Lieutenant General Vitaliy Sedykh, commander of the Pacific border guard district told the Japanese consul in Vladivostok Wednesday.

The Russian border guard press office reported that the poachers did not respond to all demands to stop. As they escaped, they cut off the nets in which large amounts of fish died.

Sedykh said that warning shots were fired in the early hours of June 4 and 6 when two poaching schooners and six schooners respectively were sighted.

The border guards fired over 300 30 mm and around 10 76 mm shells.

Chernomyrdin on Health in Bonn News Conference

PM0906103594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 9 Jun 94 p 7

[Igor Yavlyanskiy report: "The Russian Premier Is a Little Tired but Right on Form"]

[Text] Bonn—Viktor Chernomyrdin, a patient at the university clinic in Mainz, southern Germany, held a news conference Tuesday. The Russian head of government was wearing not a hospital gown but a severe suit. He looked somewhat tired, but he was right on form.

The prime minister said that he had come to Germany on an unofficial, private visit in order to consult local medics on a kidney stone [kamenno-pochechnyy] disorder. "The diagnosis has already been made in Russia, but I would like to have a second opinion."

Professor Rudolf Khoyenfellner, under whose direction medical tests were conducted, refused to go into medical details: "We are obliged to observe medical confidentiality. There are no grounds now for breaking this rule. We regard illness as a personal problem."

[Yavlyanskiy] Is this an ordinary case of kidney stone disease?

[Khoyenfellner] Stones are, in general, something abnormal. Although we do frequently encounter this ailment. It is just that in this case we are dealing with a somewhat unusual form of the disorder.

Questions to Chernomyrdin:

[Unidentified journalist] What is of most concern to you now, taking a global view of the world?

[Chernomyrdin] Affairs in Russia. Our country is going through a difficult period. Much depends on the government for which I am responsible. We are now proposing a number of additional measures to accelerate the reforms. I am in no doubt that a turning point will come. I am taking the opportunity to work here as well. One of the chief issues is to attract foreign investments.

[Unidentified journalist] Are you planning to pay an official visit to Germany this year?

[Chernomyrdin] To be honest, both countries need such contacts. There are plans for such a trip. But it has not yet been decided exactly when.

[Unidentified journalist] It is said that you are writing your memoirs and intend to publish them in Germany....

[Chernomyrdin] I have already answered this question in Krasnodar recently. I am not writing anything. I am not in the mood for these things now. I am no writer. I do not regard myself as one. That is not even in my thoughts. It is incredible! Does this mean that people are saying I traveled south to write my memoirs? In fact I spent three days sitting in a helicopter, dashing about the region.

[Unidentified journalist] What if you are offered an operation?

[Chernomyrdin] It is not very complex, the way I understand it. We will get it done here and complete the treatment in Russia.

Cooperation Agreement Signed With Military Trade Unions

PM0806100994 Moscow KRASNAYA ZVEZDA in Russian 7 Jun 94 p 2

[Report by Anatoliy Mikhaylov under "News From the Regions From Our Correspondents" rubric: "Military Trade Unions Agree To Cooperate"]

[Text] Moscow—A cooperation treaty was signed during the recent meeting in Bonn between leaders of the European Association of Military Trade Unions (Euromil unites 20 military trade unions, and its 12 European countries are collective members of the European Parliament and have observer status in NATO and the CSCE) and independent Russian servicemen's trade unions. It was signed by President John Rodbol [surname as transliterated] on behalf of Euromil and by Mikhail Kolchev on behalf of Russia. A long-term cooperation program aimed at providing social protection for the Russian Federation servicemen being withdrawn from Germany and the Baltic region was determined. The question of admitting Russian military trade unions to Euromil was discussed during the meeting. The admission ceremony will take place in Lisbon this September.

EBRD Allocates Funds for Kola Nuclear Safety Program

PM0806111294 Oslo AFTENPOSTEN in Norwegian 3 Jun 94 p 4

[Report by Ole Mathismoen: "European Financial Aid for the Kola Peninsula"]

[Text] The European Bank for Reconstruction and Development (EBRD) will give 185 million kroner to make the nuclear power station on the Kola Peninsula safe.

Yesterday the board of the bank approved a detailed investment plan for the Kola power station and two other Russian nuclear power stations. A decision in principle to give money was reached last year.

Certain negotiations with Russian authorities remain before the work can start. In return the EBRD wants the Russians to shut down some of the oldest and most dangerous reactors. On the Kola Peninsula one possibility is shutting down one of the two old reactors earlier than planned. Russian authorities have announced that they will shut it down in the year 2000.

The money will come from the special fund for making safe nuclear power stations in Eastern Europe and the Soviet Union which the G-7 countries set up in 1992 and which has since grown to sizeable proportions. Last year the Nordic area, Switzerland, the Netherlands and the EU [European Union] Commission joined the fund. The fund currently contains around 1.2 billion kroner. Norway has paid in 16.5 million.

The largest and most important of the planned investments in Polyarnyye Zori on the Kola Peninsula is an emergency cooling system. Today the power station would only be able to stand a cooling system breakdown of an estimated six hours before the reactor core in one of the four reactors would melt.

"The danger of accidents would be reduced as a result. The employees would have much longer time for repairs," assistant director Torbjorn Norendal of the Foreign Ministry said. He is Norway's representative on the board of the bank.

Other elements in the investment plan are new and better fire equipment, instruments which are able to give operators more rapid warning that an accident is taking place, equipment for measuring radioactive emissions outside the power station itself, a number of safety values, and other surveillance equipment. Everything will go out to international tender. The board bank will decide on the final allocation of funds at its July meeting.

Norway has already donated equipment worth 20 million kroner to the power station. It is Norendal's view that the money from the EBRD will increase the safety of the power station considerably.

It is planned that the investments will be made in the course of 1995 and 1996. The other two power stations which will receive similar help are Sosnovyy Bor near St. Petersburg and Novo-Voronezh south of Moscow.

Bellona [Norwegian environmental organization] was among the first to raise the alarm about the state of affairs at the nuclear power station only a few miles from Norway. Expert Frederic Hauge is skeptical toward the EBRD's investment plan.

"This money does not solve the biggest problem. The main threat is that the workers at the power station are not being paid. It is now a month and a half since they were paid, and last week there was a phone call with an anonymous threat that reactor 4 would be set on fire if wages were not paid," Hauge said.

He believes that it would have a great effect if Finland stopped importing electricity from the power station.

"I would also have liked to have seen how much progress would have been made if the 180 million had been spent on energy saving measures and the development of local gas power," he said.

A united Nordic area in the EU could mean large-scale economic and expert support for the nuclear cleanup in the north, Bettina Lorz of the EU's Environmental Directorate (DG-11) said. She has played a central role in the EEA [European Economic Area] negotiations and the negotiations on membership for the Nordic countries. Yesterday she took part at a seminar in Oslo on the EU and the environment.

She received the support of the EU's ambassador to Norway, Aneurin Rhys Hughes: "As yet the EU has not allocated money to the Kola Peninsula problems. This is something that will change radically when Norway becomes a member," he said.

Bettina Lorz told AFTENPOSTEN that there are some significant funds in the EU which are to be used for important environmental measures in Eastern Europe. Today they are being used to make safe nuclear installations, primarily nuclear power stations, in the immediate vicinity of today's EU countries.

"Even though the EU is of course already involved in what is happening in the Barents Sea region, its involvement would increase dramatically if Norway, Sweden, and Finland join. The Kola Peninsula would then become the EU's closest neighbor in the north," she said.

Russia's Absence From Normandy Events a 'Missed Chance'

PM0806133194 Moscow KRASNAYA ZVEZDA in Russian 8 Jun 94 p 3

[Article by Aleksandr Golts: "Celebration in Normandy: Grand Spectacle Or Missed Chance?"]

[Text] It seems that the organizers of the celebration of the 50th anniversary of the allied landing in Normandy have expended on its organization almost as many resources as they did half a century ago on the actual operation. Judging from press reports it was indeed a grand affair. Up above, World War II aircraft, including the legendary Spitfire, gave way to modern fighters; while demonstration airborne assaults gave way to amphibious landings. Fifteen warships took part in the naval review, including the nuclear-powered aircraft carrier George Washington. Amphibious vehicles put ashore bearing the colors of the units which took part in the landing. There were also grateful speeches addressed to the veterans by leaders of the states whose soldiers stormed the beaches of Normandy, along with parades and wreath-laying ceremonies.

Yet for all the solemnity of the celebrations and the genuine enthusiasm of their participants, what took place prompts the feeling that something extremely important was left unsaid and undone. The country—Russia—without which neither the Normandy landing nor victory would have been possible took no part in the celebrations. Unfortunately, the Cold War has also cast its shadow over our common victory (let us recall that it was then that the actual "united nations" concept appeared). For many years our former allies, who had become our enemies, kept silent about the other side's role in crushing fascism.

Now that confrontation has become a thing of the past, a chance has appeared to break the habit of dividing the great victory into "ours" and "not ours." So far this chance has not been taken. What a great pity. After all, what is the point of organizing such celebrations? Above all, of course, it is to pay due respect to those who achieved this feat.

But something else is important: Such celebrations are necessary to remind us of the unity of mankind in opposing the forces of evil. And today are not fascism, aggressive nationalism, and dictatorships of various types and sorts not throwing down a challenge to freedom? Today is there no need to oppose these challenges with combined efforts? Nowadays, when East and West—with considerable difficulties—are trying to create a new European and global security architecture by overcoming their own prejudices and fighting other people's, many people are seeking a historical linchpin for new cooperation. The brotherhood-in-arms of World War II could be such a linchpin. The chance to demonstrate this was missed in Normandy. The 50th anniversary of victory presents another chance to show that the division of the world has been done away with. Let us hope that the politicians are perspicacious enough not to miss that one as well.

Snub to Russia Over D-Day Commemoration Inappropriate

PM0806123994 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 8 Jun 94 p 1

[Aleksey Bausin report: "Anniversary: Are We Outsiders at These Celebrations?"]

[Text] Russia was not invited to the celebrations of the 50th anniversary of the Allied forces' landing in Normandy. That is, a Russian delegation is nonetheless staying in one of the towns where the celebrations will be held. But the Russian president did not turn up at the "summit meeting" to mark 6 June 1944.

Many commentators believe that whereas the Normandy landing was for Britain and the United States a belated attempt to start having some kind of real effect on the course of the war, the Red Army offensive was in essence not only a crusade of liberation but also the expansion of communism. Admittedly, this does not take into consideration the fact that Russia now seems to be a democratic country. But it seems that the destruction of communism alone is not enough to join the amicable family of European peoples.... However, as President Yeltsin remarked, the fact that we are not invited is no reason to take umbrage and perceive this as evidence of mistrust of Russia on the part of its former allies in the anti-Hitler coalition.

A situation where "you have your celebrations and we will have ours" would have been more appropriate during the previous Berlin Wall era. But you increasingly get the impression that the destruction of this notorious wall has not made Europe truly united. We can argue at length that Russia is a European country and that we should finally take up a proper position on the continent. However, just as nothing came of the idea of a "common European home," so nothing is coming of Russia's stately "entry" into Europe. Our partners periodically hint that Russia can be described as a European power only in the geographical context. But not in the political context. The celebration of the Allied forces' Normandy landings—like, moreover the ceremony marking the withdrawal of the Allies' troops from German territory—has shown us that once again....

No 'Serious' Problems in Relations With Turkey

LD0806153694 Moscow INTERFAX in English 1354 GMT 8 Jun 94

[From the "Diplomatic Panorama" feature: Correspondents Igor Porshnev, Vitaliy Trubetskoy, and others]

[Text] Moscow does not see any serious problems in relations with Turkey. "Individual anti-Russian statements by Turkish representatives should be viewed as a reflection of the inner political game," director of the Russian Foreign Ministry's 4th Asian Department Valeriy Yegoshkin told Interfax.

He said that the recent statement by Chief of the Turkish General Staff Dogan Gyuresh to the effect that Russia continued to pursue an imperial policy in the region must not be perceived as a symptom of cooling in Russian-Turkish relations.

To quote Yegoshkin, this statement was made in a complicated inner political context and was intended for inner use. Anti- Russian statements had been made in

Turkey before. However, the statement in question went far beyond the limits of the admissible, which caused a sharp response in Russia, he said.

The Ankara officials have isolated themselves from this statement. General Gyuresh also asserts that he was misunderstood, he continued. In his opinion, Russia and Turkey had good prospects for cooperation. Although various Turkish quarters have a different attitude to Russian-Turkish rapprochement, it is early yet to talk about the deterioration of bilateral relations, he said.

Yegoshkin doubts that a serious clash may occur between the Russian and Turkish interests during the division of spheres of influence in the Black Sea region and the Turkic republics of the former Soviet Union. "The Turkish representatives we are dealing with try to isolate themselves from the pan-Turkic moods. They say that Ankara recognizes Russia's legitimate interests in the Turkic world and does not try to assume a dominating role. We have no reasons for treating them with misgiving," he said.

Speaking about free navigation through Bosporus and Dardanelles which Turkey is trying to limit, Yegoshkin expressed hope that Ankara will not disregard the opinion of the world community. "If it does, it may find itself in complete isolation. Not a single country has supported the introduction of new rules. Moreover, Turkey's strongest critics are its neighbors, who are against barriers complicating the passage of their ships through Bosporus and Dardanelles, he said.

Commenting on the utilization of the resources of the Caspian Sea by all countries of the region, Yegoshkin said the position of Azerbaijan created certain problems.

The countries of the Caspian region have equal access to the Caspian Sea which not divided into territorial waters or economic zones, he said.

To quote Yegoshkin, Baku has a different opinion. Azerbaijan would like to own a large part of the Caspian Sea and attract foreign companies for developing the Caspian oil deposits. Azerbaijan's unilateral moves may damage the interests of other Caspian countries. Such problems must be tackled at a negotiating table by all the countries concerned, he said.

Official on Turkish Statements, Caspian Region

LD0806165394 Moscow INTERFAX in English 1459 GMT 8 Jun 94

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Aviaeksport Chief Denies Blame for PRC TU-154 Crash

PM0806124594 Moscow IZVESTIYA in Russian 8 Jun 94 p 3

[ITAR-TASS report under the general heading: "Our Aircraft Are Valued in China, but the Tu-154 Crash Is the Worst in That Country's Civil Aviation History"]

[Text] Russian spokesmen have categorically denied reports from Beijing that the crashed Tu-154 aircraft had supposedly undergone two major overhauls before it started operating in the PRC.

Feliks Myasnikov, general director of the "Aviaeksport" Foreign Economic Association, has reported that a new aircaft was supplied to China under contract in 1986. Since then the airliner, in full accordance with the recommended norms, has undergone one planned overhaul, which was carried out at the repair plant at Vnukovo in 1992. According to Feliks Myasnikov, the Chinese side has not submitted data on the aircraft's operation, but there can be no question of its operating life having been exceeded with regard to any of the parameters.

The Main Aviation Industry Administration of the Russian Federation State Committee for Defense Sectors of Industry has reported that at the time of the aircraft's handover to the PRC it had flown for 32 hours within the framework of control tests.

ITAR-TASS Reports on Helicopter Sales to Uruguay

LD0906004794 Moscow ITAR-TASS World Service in Russian 1501 GMT 8 Jun 94

[By ITAR-TASS]

[Text] Buenos Aires, 8 Jun—The newspaper OBSERVADOR ECONOMICO, which is published in Montevideo, reported on Tuesday that the Uruguay firm "Imaribo" has purchased Ka-32 all-weather helicopters, which are being manufactured in the town of Zhukovskiy in Moscow Oblast, for ice reconnaissance and for the transportation of cargo. Under a contract with the firm, a group of Russian engineers in Uruguay is fitting these helicopters with weapons; they are a civilian version of the mass-produced combat helicopters. Afterwards, they will be resold to other countries. The first helicopter has already been purchased by Peru's Armed Forces.

The Ka-32 helicopters are being delivered from Russia by sea to Uruguay's free economic zone, to the town of Florida, 90 km north of the Uruguayan capital. Each helicopter costs no less than 2.5 million dollars. The newspaper notes that these helicopters are one of the most promising models in Russia, which are noted for their high degree of maneuverability. During the war in Afghanistan, these helicopters, fitted with weapons, proved their combat effectiveness. In addition to this, they have a spacious cargo compartment and equipment for the transportation of suspended cargo. The Ka-32 helicopters can be used to assemble equipment, lay power lines, and also to carry out operations to rescue people and equipment during natural disasters.

The Uruguayan newspaper notes that the intention in Peru is to use the helicopter to fight the drug mafia. Contracts for the sale of the military version of the Ka-32 helicopters have already been concluded with a number of other Latin American countries.

Brazil Buys 110 Surface-To-Air Missiles

MK0806100094 Moscow KOMMERSANT-DAILY in Russian 8 Jun 94 p 4

[Viktor Zamyatin report: "Russian-Brazilian Arms Trade. Russian Missiles To Emerge on Banks of Amazon"]

[Text] It was announced yesterday that Brazil will buy from Russia 110 "Igla" surface-to-air missiles (analogue of the "Stinger"). Russia has emerged on the Brazilian arms market for the first time.

Under the contract, the weapons will be delivered to Brazil by the end of this year. Brazilian authorities narrowed down their choice to the Russian missiles having become convinced that despite the low price tag (they are the cheapest in the world—KOMMERSANT-DAILY), "Iglas" are not only a match for "Stingers" but are even superior to them in a number of parameters. The missile purchase is part of the $2 billion, four-year trade agreement signed in 1993. The cost of the missile contract has not been given. It is only known that $100 million was earmarked to buy missiles from Russia for Brazil's army with some money remaining to effect some other payments. This means that the contract to buy "Iglas" would be followed by some others (Brazil, among other things, is showing interest in Russian helicopters). One cannot at this stage speak seriously about Russia's competing against the main suppliers of arms to the region—the United States and France—because the size of the deal concluded is too small. Incidentally, Brazil recently bought a batch of accoutrements in the United States.

Concurrently with the signing of the missile contract, Russia and Brazil also decided to exchange military attaches in their embassies. An agreement to this effect was signed by Georgiy Mamedov, Russian deputy foreign minister.

Deputy Manannikov Cited on Restoring Crimea

MK0906074894 Moscow PRAVDA in Russian 8 Jun 94 p 1

[Nikolay Musiyenko report: "Crimea: A View Through the Prism of the Civil Code"]

[Text] Aleksey Manannikov, deputy chairman of the Russian Federation Federal Assembly International Affairs Committee, has come up with a proposal to hold a session of the Russian Federation Federation Council in Sevastopol, Simferopol, or in any other Crimean city.

In his letter to Vladimir Shumeyko, speaker of the upper house of the Russian parliament, he rationalizes the need for such a session by the fact that the former Supreme Soviet of Russia, which paid much attention to studying whether the power organs of the former USSR and the RSFSR observed in 1954 all the casuistic subtleties in turning Crimea over to the Ukrainian SSR's subordination, did not study at all the question of whether those organs were competent at all to complete such a transaction.

"It is a well-known fact that the Crimean Autonomous Republic existed before World War II," A. Manannikov writes. "In 1945, the ranking officials, who did not bother even to honor the laws and the generally recognized rights and freedoms of their citizens, made a decision abolishing the Crimean republic. The criminal decision entailed the exiling from Crimea of a great number of citizens of Tatar, Greek, German, Armenian, Bulgarian, and other nationalities...."

The author of the letter thinks that the decision on abolishing the Crimean Autonomous Republic as part of the USSR, and on a transfer of the territory thus "freed" from its legitimate owners to someone else, should be deemed invalid, signifying that "taking account of the opinion of the majority of the population of the Crimean

Republic, measures should be taken toward an amicable agreement on restoring it to its lawful master, that is to Russia."

Drawing an analogy with civil legislation, A. Manannikov quotes from Part III, Article 152 of the Civil Code: "If some property should be acquired without payment from a person who had no right to give it away, the owner shall have the right to claim it in all instances." And he concludes: "Authorities of the Ukrainian state have no more rights to claiming legitimacy for owning Tavrida [Crimea] than does a citizen who receives as a present from a thief some stolen property (fur coat, necklace, etc.)."

News Conference on Killing of Officer in Tajikistan

MK0906075794 Moscow PRAVDA in Russian 8 Jun 94 p 1

[Alisher Niyazov report under the "They're Shooting All Around" rubric: "Tajik Opposition Settling a Score"]

[Excerpt] Lieutenant General Anatoliy Chechulin, commander of the Russian border troops in Tajikistan, has charged the extremist wing of the armed opposition with unleashing terror against the Russian military contingent in the republic, as well as against ethnic Russian officers serving in the national Armed Forces.

He made this statement at an extraordinary press conference for Russian and foreign correspondents. To all appearances, the patience of the Russian command has become exhausted in the wake of yet another killing, this time involving a senior officer of the Russian border troops staff, Lieutenant Colonel Sergey Leontikov. He was shot and killed, according to eyewitnesses, outside his garage by three unidentified persons. All in all eight Russians, including six servicemen, were killed between 31 May and 4 June.

In A. Chechulin's words, those well-organized and directed terrorist acts are nothing else but the carrying out of threats by leaders of the Islamic Rebirth Movement of Tajikistan. A. Chechulin promised that the Russian military would no longer tolerate the bandit threat from whoever it comes, and that authorized weapons and equipment would be drawn upon to protect Russians. Mechislav Senkevich, who took part in the press conference, stated toughly that Russia would take all measures to protect both the Russian servicemen and the Russian-speaking population in Tajikistan. [passage omitted].

Tajik Leader Vows Punishment for Killers

PM0806124394 Moscow KRASNAYA ZVEZDA in Russian 8 Jun 94 p 1

[Anatoliy Stasovskiy report: "Tajikistan Fights Terror"]

[Text] On 7 June Colonel General Andrey Nikolayev, commander in chief of Russian Federation Border Troops, received from Tajikistan a telegram from Imamali Rakhmonov, chairman of the republic's National Assembly. In it the head of Tajikistan expressed his sincere condolences in connection with the tragic deaths of Russian border guards—Lieutenant Colonels Borisenkov and Leontikov. "The criminals," the telegram says, "who have encroached on a most blessed thing—the lives of Russia's sons who, answering the call of duty and conscience, were protecting the Tajik soil that had become their own—will not go unpunished. Some of them are already in the hands of the law, the others will be found and punished with all the severity of the law...."

Meanwhile, in Tajikistan everything is being done to get control of the acute criminogenic situation. On 7 June 24-hour joint patrols of Tajik and Russian servicemen began. Areas where Russian servicemen and their families live have been put under special guard.

Political Issues

Chernomyrdin Replacement Rumored for 'Health Reasons'

Skokov To Be Named Premier

PM0806171194 Moscow KOMSOMOLSKAYA PRAVDA in Russian 9 Jun 94 p 1

[Report by Stas Stremidlovskiy: "'Skokov Is Real "Shadow" Prime Minister Whom I Always Seemed To Have in Mind' (Boris Yeltsin, 'President's Notes')"]

[Text] Informed sources in the Russian Government and in Russian Federation President Boris Yeltsin's entourage report that the question of Viktor Chernomyrdin's resignation for health reasons from the post of prime minister and the appointment of Yuriy Skokov to this post has been resolved in principle. Viktor Stepanovich himself allegedly agrees with this formulation. And that is obviously what explains Chernomyrdin's unexpected departure to Germany, where he underwent investigation and a course of treatment for a kidney stone illness.

According to unofficial reports, last Monday Boris Yeltsin had already had a meeting with Yuriy Skokov as a result of which only Boris Yeltsin's signature is lacking to the necessary draft presidential edicts.

Yuriy Skokov is now public chairman of the federation of Russian commodity producers and entrepreneurs and before that he held the post of Security Council secretary, and since October 1992 has engaged in earnest in the affairs of the regions, where he has acquired considerable popularity.

Yuriy Skokov tries not to expatiate on his political activity, calling himself a "politically homeless person." His recent contacts have included those with people from the entourage of Moscow Mayor Yuriy Luzhkov and leaders of the "New Regional Policy" deputies' group. In addition, Yuriy Skokov did not sign the "Social Accord Treaty," which put him on a par with Communist Party leader Gennadiy Zyuganov and Agrarian Party leader Mikhail Lapshin.

So far we can only guess whether Boris Yeltsin will appoint Skokov as acting head of the cabinet or will try to submit his candidacy to the Federal Assembly for approval as a full prime minister.

In the opinion of a number of experts, the decision to appoint Yuriy Skokov was prompted by the fact that the Russian parliament is ceasing to be controlled by the president. A parliamentary majority has not been successfully formed on the basis of the democratic parties in the State Duma. The Federation Council has also proved disobedient. That was shown by the situation involving the approval of Aleksandr Ilyushenko for the post of general prosecutor.

Therefore, experts believe, it is most likely that Yuriy Skokov, in exchange for his appointment as head of government, has promised Boris Yeltsin to ensure the passage of presidential draft edicts in the State Duma. If you consider that Skokov recently signed an agreement on cooperation with the State Duma "New Regional Policy" deputies' group, which includes 65 deputies, he will obviously be able to fulfill that promise.

Radio Views Possible Chernomyrdin Resignation

LD0906032994 Moscow Mayak Radio Network in Russian 0237 GMT 9 Jun 94

[Text] It is known that Russian Prime Minister Viktor Chernomyrdin interrupted his holiday in Sochi and flew to Germany on Sunday to undergo a medical investigation for kidney stones. Chernomyrdin's trip to Germany appears to be a rather strange one, if one takes into account the fact that the best medical institutions in Russia are located in the resort where he was vacationing, Reuters considers.

It was reported by the DPA agency that all the experts examined Chernomyrdin and acknowledged his state of health as excellent.

According to a correspondent of NEZAVISIMAYA GAZETA, the question arises as to whether the unexpected trip to Germany by Chernomyrdin is window-dressing preparation for his resignation due to the state of his health.

It is interesting that, according to a report from Russia's Ministry of Foreign Affairs, people surrounding First Deputy Prime Minister Oleg Soskovets have unambiguously given it to be understood that their boss may soon become prime minister.

Another probable candidate for the post of head of government is Yuriy Skokov, chairman of the Federation of Goods' Producers.

This is what KOMSOMOLSKAYA PRAVDA writes. According to reports from informed sources in the government of Russia, the issue of the resignation of Viktor Chernomyrdin from the post of prime minister due to his state of health and the appointment of Yuriy Skokov has fundamentally been decided among those surrounding Boris Yeltsin. Viktor Stepanovich Chernomyrdin himself allegedly agrees with this formulation. According to unofficial information, Yeltsin already met with Yuriy Skokov last Monday, as a result of which the necessary draft presidential decrees only need to have Yeltsin's signature added to them.

Kostikov Denies Resignation Allegations

LD0906101094 Moscow ITAR-TASS in English 1003 GMT 9 Jun 94

[Text] Moscow June 9 ITAR-TASS—"Allegations about Viktor Chernomyrdin's resignation are an invention and

a lie from beginning to end," the Russian president's press secretary Vyacheslav Kostikov announced today.

The press secretary reacted to a report in the KOMSOMOLSKAYA PRAVDA daily, which cited "informed sources in the country's leadership" as saying that "the question about Viktor Chernomyrdin's resignation from the post of prime minister for reasons of health has been decided in principle, as has the appointment of Yuriy Skokov to the post".

The report said "Viktor Chernomyrdin has reportedly agreed with the formula, which accounts for his unexpected departure for Germany for medical examination and treatment for nephrolithiasis".

The newspaper cited unofficial data about the president's meeting with Yuriy Skokov last Monday, "as a result of which, the relevant draft presidential decrees are awaiting Boris Yeltsin's signature".

Yuriy Skokov is the chairman of the federation of commodity producers and entrepreneurs of Russia. Earlier, he was secretary of the Security Council and since October 1992 was closely involved with the affairs of the regions, where he won considerable popularity, KOMSOMOLSKAYA PRAVDA reported.

Resignation Rumors 'Groundless'

LD0906115994 Moscow ITAR-TASS in English 1122 GMT 9 Jun 94

[By ITAR-TASS correspondent Gennadiy Kulbitskiy]

[Text] Mainz June 9 TASS—All reports in the Russian press about possible changes in the leadership of the Russian Government, including allegations concerning Viktor Chernomyrdin's possible resignation as prime minister, are "absolutely at variance with reality and no more than inventions", according to sources close to the head of the Russian Government, who is now undergoing medical examination and treatment in the urological clinic of Johann Gutenberg University.

The sources said the medical consultations, which followed the preliminary medical examination in connection with the prime minister's nephrolithiasis, proceeded successfully. According to the same sources, some forces were obviously seeking to bank on the current situation.

Chernomyrdin's Health Said 'Excellent'

MK0906094694 Moscow NEZAVISIMAYA GAZETA in Russian 9 Jun 94 p 1

[Nikita Gololobov report in the "Power" column: "Chernomyrdin Will Soon Return to Moscow. German Specialists Say His Health Is Excellent"]

[Excerpt] [Passage omitted] According to the DPA agency, "seven specialists have examined Chernomyrdin but made no diagnosis. According to chief urologist Professor Rudolf Gogenfellner, Chernomyrdin's health condition is excellent."

The question arises: Is Chernomyrdin's unexpected trip to Germany a way of "setting the stage" for his resignation "for health reasons"? It is noteworthy that, according to a source in the Russian Foreign Affairs Ministry, people from the entourage of First Vice Premier Oleg Soskovets, who are currently staying with him in Malaysia, indicated that their "chief" might soon become prime minister. Oleg Soskovets, who did not rule out such a possibility, seems to be further distancing himself from his boss.

Another likely candidate for the post of head of government —Commodity Producers Federation Chairman Yuriy Skokov—is behaving amazingly calmly in this situation. According to a source in the federation apparatus, the federation is working in a normal mode.

Chernomyrdin, Yeltsin Due at Conference 10 Jun

LD0906085794 Moscow Radio Rossii Network in Russian 0800 GMT 9 Jun 94

[Text] At today's sitting, the Russian Government is discussing the state of Russian industry, ITAR-TASS reports. In addition, draft laws on the struggle against organized crime and state support for small businesses in Russia as well as the issues of price formation and the fuel and power engineering and metallurgy complexes are to be examined.

The sitting is being chaired by First Deputy Prime Minister Oleg Soskovets. He said Chernomyrdin is likely to return from his leave this evening. Tomorrow morning he is expected to speak at a conference of builders. Boris Yeltsin and almost all members of the Cabinet of Ministers are expected to attend the conference.

Shumeyko Foresees 'Single Confederative State'

LD0906102594 Moscow ITAR-TASS in English 0948 GMT 9 Jun 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow June 9 TASS—Confidence that "a single confederative state will appear with time on the territory of the former Soviet Union" was voiced by Federation Council chairman Vladimir Shumeyko during today's meeting with journalists in Moscow. Shumeyko added that "later, we shall probably live to see a federation, each member of which will remain free".

According to Vladimir Shumeyko, the former Soviet republics will never give up their freedom, but will continue to gravitate towards one another on the strength of their economic, cultural, and spiritual traditions. Shumeyko noted that the Baltic republics alone are

not "seeking contacts with the former Union parts, while all the others are feeling the attraction".

In this connection, the head of the upper chamber of the Russian parliament expressed his belief that in Byelorussia [Belarus] and Ukraine "the people will vote in the presidential elections for those whose attitude to Russia they think correct".

Vladimir Shumeyko said the council of the heads of parliaments of the Commonwealth member-states, which met in St. Petersburg the other day, discussed strengthening economic ties in the framework of the Commonwealth of Independent States. Participants in the discussion said the creation of a strong union can be boosted by legislative acts and it is necessary to "provide a legal frame for the economic union".

The council adopted a resolution on CIS peacekeeping forces, which also calls for preparing a relevant regulation. Shumeyko noted that the CIS peacekeeping forces already exist de facto, but mainly at a cost to Russia. According to Shumeyko, this gives rise to rumours about Russia's alleged imperial ambitions. In order to avoid such rumours and ease Russia's economic burden in maintaining the forces, it is necessary to create CIS collective forces.

Shumeyko said that the participants in the St. Petersburg forum called for joining the Commonwealth summit on September 9 to discuss this proposal, as well as preparations for the festivities marking the fiftieth anniversary of the victory in the last world war.

Shumeyko Profiled Following Security Council Appointment

MK0906082094 Moscow KOMMERSANT-DAILY in Russian 8 Jun 94 pp 1, 3

[Ilya Bulavinov report: "The Federation Council Speaker Will Take Care of Security"]

[Text] Recently there has been a series of edicts on including new state officials into the Security Council. But Boris Yeltsin's latest appointments stand out from this crowd. Two weeks ago it was announced that Ivan Rybkin has become a member of the Security Council. Now the other speaker—Vladimir Shumeyko—has been included into the council as a non-permanent member. With this appointment the president honors the terms of the national accord pact while the speaker gets the possibility to expand his presence on the Russian political Olympus.

The edict appointing Vladimir Shumeyko to the Security Council lay in the Kremlin exactly two weeks: It is dated 23 May (on that day Ivan Rybkin was officially co-opted into the Security Council). An official in the presidential administration explained that the delay in promulgating the edict was due not to political but to "diplomatic" reasons: The Kremlin thought it unethical to publish the edict before the Federation Council speaker's return from his Latin American tour.

As far as Shumeyko himself is concerned, this course of events is very opportune. Expanded powers are vital at present for the speaker of the parliament's upper chamber. With all the importance of Shumeyko's position, and his authority in the Federation Council, his prospects as a politician are at best foggy. Under the Constitution, beginning in 1995 Federation Council members will not be elected but appointed: One representative from the legislative and executive branch of each component. And in accordance with the fundamental law, the career of Shumeyko the senator is to end (unless, of course, corresponding changes are made in the Constitution) in a year and a half.

Shumeyko's life shows that he is not among those who would be happy to continue his career as an ambassador or president of some foundation. Likewise, after his position as chairman of the parliament upper chamber, he will hardly be content with a mere deputyship. Perhaps the sole place acceptable to Shumeyko is the president's chair. But the play for the presidency involves a great number of dangers: Everyone remembers Sergey Shakhray's sad experience. Moreover, participation in elections as Yeltsin's rival not only reduces Shumeyko's chances to zero, but could also mar his relations with long-standing associates. Yet something else is also remembered. Boris Yeltsin once let drop a phrase to the effect that a new leader should be at least tall enough and that he, Yeltsin, intends to breed his own successor. Obviously such statements by the president could not but set Shumeyko thinking in a certain direction.

Therefore, if Yeltsin does not run for another term, Shumeyko's candidacy as "heir" will be quite in place. His connections with regional leaders and his contacts (in the post of chairman of the Interparliamentary Assembly) with the CIS state leadership will be to his advantage. Yet the seriousness of Shumeyko's intentions comes through especially clearly in his efforts to promote friendly relations with the army. On 21 April Vladimir Shumeyko stated that he "intends to get acquainted with all branches of the Armed Forces and meet their commanders and personnel." Unlike the president, who has apparently forgotten about his monthly "military day," the speaker conscientiously visits military units. He accompanies these trips by loud statements about the need to increase the military budget and revise articles of military laws granting service deferments to too many—in the military's opinion—of those liable for conscription. Moreover, Shumeyko has taken such a liking to the Baltic Fleet sailors that he decided to "adopt" (of course, on behalf of the Federation Council) a missile carrier.

The speaker's rising influence cannot but be enhanced by his participation in Security Council sessions. The possibility of promoting good relations with the power ministers, participation in discussing the key aspects of national security, and finally the mere presence in the

presidential "inner circle" should help Vladimir Shumeyko prepare a reliable bridgehead for subsequent maneuvers.

Shumeyko Link to 'Most' Group Viewed

PM0806132594 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 8 Jun 94 p 3

[Article by Vadim Viktorov: "Vladimir Shumeyko and Weapons: Is There a 'Bridge' Between Them?"]

[Text] The star of the former general director of the Krasnodar measuring instruments plant started to be in the ascendant on the political horizon in November 1991 when he was elected deputy chairman of the Russian Supreme Soviet. In June of the following year he joined the government—immediately as first vice premier. And early this year there was V.Sh.'s "second coming" on the field of legislative power—he was elected chairman of the upper chamber of the new Russian parliament—the Federation Council.

It cannot be said that V.Sh. has outstanding professional abilities. Outwardly there is no sign that he relies on any influential political or economic forces. He has always stood alone in the "democrats" camp but not, like some, by belonging to B. Yeltsin's closest entourage. Coming from the directors' corps, V.Sh. is not an expressor of the interests of the military-industrial complex, and he is also a stranger to the "raw material" and "agrarian" lobbies. Nor does he have any authority in the "new business" milieu. What secures such "tenacity" for V.Sh. on the political Olympus?

We do not want to draw conclusions, but some facts are interesting in themselves.

An attentive observer may have noticed the regular proximity of events connected with V.Sh. on the one hand and the "Most" ["Bridge"] financial group on the other. Perhaps this is fortuitous but it is a case of lightning striking more than once in the same place.

The first example is connected with the NTV television company created and financed by the "Most" holding. In the summer of last year V.Sh. supported NTV's plans, speaking also of presidential support for the idea of handing over the fourth television channel "most likely to the 'Most' financial group and several commercial banks which do not belong to it."

After the 3-4 October events V.Sh. was put at the head of the Ministry of Information and the Press—and in October NTV broadcasting on the St. Petersburg channel began. In late December the decision to transfer the fourth channel to the television company belonging to "Most" was finally made—and V.Sh. leaves this post (in connection with the ministry's abolition). And a little later he leaves the government too. On 17 January 1994 NTV began broadcasting as the owner of the television channel, "timed" precisely for the moment when V.Sh. won the hard struggle for the post of Federation Council chairman.

A second example. In November last year the president signed an edict on the creation of the "Rosvooruzheniye" state company which monopolized all operations for the export and import of arms and military equipment. The company swallowed up all three relevant foreign trade associations and received the nickname "Rosvor" ["vor" element of the name means "thief" in Russian] perhaps from military-industrial complex enterprises dissatisfied with its creation. V.Sh. was involved in this edict, which is proved by his signature on the document. The weekly KOMMERSANT even awarded V.Sh. the title of "founding father" of the company. Moreover, V.Sh.'s former military adviser—Lieutenant General Viktor Samoylov—was put at the head of "Rosvooruzheniye." The principle of having "his own man" operated in this appointment since Samoylov has professional experience in a rather different field: Before becoming an adviser V. Samoylov worked for nearly 10 years in the Defense Ministry Main Cadres Directorate.

And after a while "Most" appears here—as one of authorized banks of the "Rosvooruzheniye" company.

Analysts have drawn attention to the fact that the choice of authorized banks is rather strange: They did not include those who had any experience of cooperating with official arms dealers. Not even the Foreign Trade Bank of Russia [Vneshtorgbank]. Obviously the "top brass" had some reasons of their own for this decision. Of course they did, for the status of authorized bank imparts great responsibility. It was KOMMERSANT again which reported that "Rosvooruzheniye" had been allocated free credit for three years worth 1 trillion (!) rubles for purchases of arms and military equipment from Russian producers and that in April the money had already been transferred to the accounts of the company, that is Most-bank. You can understand yourselves that keeping such a sum involves a lot of responsibility. What is interesting is that the next month the government actually repealed the arms export monopoly to establish which "Rosvooruzheniye" was created.

But let us return to the main subject and not a couple more coincidences. One is serious: V.Sh. (he is also chairman of the CIS countries' interparliamentary assembly) only had to persuade the Azerbaijan leaders in Bishkek to sign peace agreements on Nagorno-Karabakh and a week later the newspaper SEGODNYA (also financed by "Most") reported that "Most-bank has been authorized by the Azerbaijan Government to carry out clearing operations between the two sides' enterprises."

There is another, simpler, coincidence (it could be considered purely fortuitous were it not for all the preceding information): The not unknown D. Yakubovskiy, who

was also one of V.Sh.'s advisers, after the noisy corruption scandal had died down, registered a legal firm in Moscow whose clients include among others the "Most" group.

Let us add a further series of "coincidences" (perhaps fortuitous).

The middle of last year proceeded in Russia under the banner of the struggle against corruption, at whose epicenter there were two top officials—Vice Premier Shumeyko and Vice President Rutskoy. One half of the "fighters" poured "suitcases" of compromising material onto the other, the other responded in the same vein. A large part in kindling the conflict was played by the figure of Yakubovskiy, whose importance was excessively "inflated" but this made it possible within the tentacles of the SEABECO "octopus" a certain trust contract allegedly signed by the vice president. Eventually on 1 September 1993 by a presidential edict A. Rutskoy and V. Shumeyko were both relieved of their duties in connection with the investigation which was being conducted into the "corruption case." It is well known how all this ended. Why have I said all this? The point is that former military pilot A. Rutskoy at the time had a marked "weakness" for the sphere of military-technical cooperation with foreign countries. During some of his visits there were discussions of questions of supplying arms, and it cannot be said this was without results.

Yet incidentally the potential for Russian arms exports in monetary terms is billions of dollars (it can be measured in rubles—the figure of R1 trillion has already been mentioned above and it is clear it is not the only figure)

Next, in the summer of last year Sergey Glazyev, the then minister of foreign economic relations, only had to engage in the introduction of order into the system of military-technical cooperation resulting in the dismissal of the leaders of the "Oboroneksport" all-Russia association for Glazyev to be struck a "blow" whose initiator was V.Sh. A directive from the latter caused the return of the aircraft on which a delegation headed by the leader of the Ministry of Foreign Economic Relations was setting off 20 August on an official visit to African countries. The cancellation of the visit in this form is a fact unprecedented in world practice and was an ostentatious insult to S. Glazyev. As a result he tendered his resignation. It is true that his resignation was not accepted and the minister worked for a further month and resigned on his second attempt when on 21 September at the same time as the publication of the notorious edict no. 1400 the president brought back V.Sh. who had been "temporarily suspended from his duties."

We cannot fail to note V.Sh.'s "talent" in the form of his ability to put forward and use his "own" people. V. Samoylov and D. Yakubovskiy are not the only examples. One more former adviser—Igor Shurchkov—now heads the Russian Federation state committee for industrial policy. And quite recently V.Sh.'s fellow countryman—Nikolay Yegorov, head of the Krasnodar Kray administration—was appointed minister for nationalities affairs and regional policy in place of S. Shakhray.

Everything that has been said above can be interpreted in various ways but it is clear at least that V.Sh.'s "rear" is reliable and he knows how to keep it well covered, and this enables him skillfully to wage a behind-the-scenes struggle in the corridors of power. And if V.Sh. is thinking of entering the struggle for the post of president, then he can secure quite good support—both financial and organizational. And the post of head of the Federation Council may very well be used for the advance forming of the image of the "gatherer of Russian lands" (which V.Sh. began to do in the middle of May). He has virtually everything, he merely has to "play and win."

One wonders whether "Most" is not creating its information "empire" with this game?

Gaydar Says Yeltsin Backs Russia's Choice

MK0906082794 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 8 Jun 94 p 2

[Unattributed report in the "Non-Stop Around the Clock" column: "Gaydar Has Breached an 'Iron Curtain'"]

[Text] The day before yesterday Boris Yeltsin and Yegor Gaydar had an eye-to-eye meeting. MOSKOVSKIY KOMSOMOLETS asked Yegor Timurovich for details. The Russia's Choice leader said that they had discussed the general political situation in the country and problems related to the package of economic edicts both already signed by the president and those that will come out shortly. During their confidential meeting they also discussed the formation of the Russia's Choice party, in which the president is taking an "interest." Chances are that Yeltsin will not attend the Choice founding congress on 12 June but, according to Gaydar, he relates positively to Russia's Choice, and the formula "Russia's Choice is the party the president leans on" is still in force.

Just a few months ago democratic leaders were complaining about the Yeltsin apparatus, which "closed" the president to contacts. Now, however, Yegor Timurovich noted, "the situation is developing in an extremely positive way."

Zyuganov Does Not Rule Out Early Elections

LD0806164194 Moscow INTERFAX in English 1459 GMT 8 Jun 94

[Text] Speaking at a news conference in Moscow today, leader of the communists in the Russian State Duma Gennadiy Zyuganov did not rule out the possibility that in September-October 1994 the authorities will launch what he called another blitzkrieg: presidential elections.

Speaking of his recent tour of the Volga region and Russia's far north he said he had seen a sharp economic decline and a sharp rise in crime. He said that if this trend continues, the introduction of extraordinary measures by any government is inevitable within the next few months.

Zyuganov also spoke of what he called favorable symptoms: All the regions he visited have swung to the political left and the position of the Communist Party has strengthened greatly. He said that what is called the democratic government has no prestige in these regions.

He said that the best next move before the introduction of a state of emergency would be that suggested by the Accord for Russia movement: To work out a common opposition program, propose a team capable of carrying it out, unite political efforts and win over industrial circles and trade unions.

Says Russia Faces Economic Catastrophe

LD0806150394 Moscow ITAR-TASS in English 1416 GMT 8 Jun 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[Text] Moscow June 8 TASS—Russian communist leader Gennadiy Zyuganov described the economic situation in Russia as catastrophic.

Speaking at a news conference in Moscow on Wednesday, Zyuganov said that the country has become completely ungovernable and social tension continues to grow. Social and economic ties are falling apart.

Summing the results of his trip to several Russian regions, Zyuganov said that local officials called for a strong and capable government whose powers must be separated from the powers of presidential structures, which, as they claim, "interfere in the economic management" and get in the government's way.

To solve the food problem, Zyuganov suggested "establishing the minimum consumer basket and returning to state regulation of prices of basic necessities, including rationing."

He stressed the need for changing the liberal economic policy which has failed. "We will have to use measures of state regulation, primarily in power engineering, transportation, communications and agriculture," he said.

Zyuganov also believes that Russia should offer Ukraine, Byelorussia [Belarus] and Kazakhstan to set up a body to coordinate economic management and restore the severed ties. Another task is to fight crime and corruption and restore law and order in the country.

Zyuganov noted that no one will support the idea of a general political strike in Russia, adding that the question of early presidential elections—in September-October—"may emerge within the presidential structures themselves."

Former Procurator Launches New Political Party

LD0906081794 Moscow ITAR-TASS in English 0721 GMT 9 Jun 94

[By ITAR-TASS correspondent Nadezhda Potapova]

[Text] Yekaterinburg June 9 TASS—Ex-Procurator General of the Russian Federation Aleksey Kazannik, sacked by President Yeltsin after the amnesty of the latter's political rivals, and his supporters in the Urals and Siberia are now working to found a new political party, which they call "The Party of People's Conscience."

The party's founding congress is due to take place in Yekaterinburg on Friday.

According to prepared documents, the party seeks to bring together Russia's intellectual potential and concentrate on implementing a theoretically-based reform policy and forming competent governing structures, including the federal government.

The party intends to announce that it would form "constructive opposition" to the present authorities, reject the ideology of the Liberal-Democratic Party of Russia and Russian National Unity.

At the same time, the Kazannik party will be ready to team up with all sound- and patriotically-minded associations.

Aims of 'Party of People's Conscience'

MK0906093594 Moscow SEGODNYA in Russian 9 Jun 94 p 3

[Igor Spiridonov report under the "Party Organizational Development" rubric: "Aleksey Kazannik's People's Conscience. Former Russian General Prosecutor Creates Party of a New Type"]

[Text] Aleksey Kazannik, professor of the state and municipal law department of Omsk University, has already registered the oblast organization of a Party of People's Conscience [PPC]. The new movement sets itself the task "to formulate conditions to guarantee society against an inflow of dishonest people into the power structures, and against the making of incompetent decisions," as well as to create a system for the selection of personnel and a mechanism of control over the formulaic passing and retraction of decisions at all levels. Only highly moral and law-abiding citizens can join the party. The PPC counts on support from broad sections of the population, from workers to peasants to entrepreneurs, who identify their future with the prosperity of Russia.

According to Mr. Kazannik, he has already received requests from representatives of 47 regions in the country for the PPC's program documents so as to set up branches of the party in the regions. The founding conference of the PPC may be held as early as the fall, and the new party will be registered on the federal level.

Ex-Zhirinovskiy Followers Form Parliamentary Group

LD0806154094 Moscow ITAR-TASS in English 1457 GMT 8 Jun 94

[By ITAR-TASS correspondent Lyudmila Alexandrova]

[Text] Moscow June 8 TASS—Six defectors from Zhirinovskiy's faction in the Russian State Duma have announced the creation of their own parliamentary group called "Derzhava" (Great Power).

The ex-Zhirinovtsi, who earlier voiced their intentions to join far liberal "Union of December 12" faction, this time declared that they would contribute to the realisation of the idea to set up the nation-wide patriotic "Derzhava" movement proclaimed recently by former Vice-President Aleksandr Rutskoy.

Rutskoy's camp seems to be not happy with such allies. Chairman of Rutskoy's Russian Social-Democratic People's Party [RSDPP] Vasiliy Lipitskiy told TASS today that the statement of Zhirinovskiy's defectors "is in no way in line with the interests and objectives of the RSDPP". He said that they have made "a false step" by using the name "Derzhava" for their own purposes.

"I really doubt whether the deputies who have not yet displayed any solid principles would be able to represent interests of any public movement", Lipitskiy said.

According to the State Duma's regulations, a new parliamentary group needs to enlist at least 35 MPs to be officially registered.

Militia Chief Briefs Reporters on Stolen Weapons

MK0906080394 Moscow SEGODNYA in Russian 8 Jun 94 p 1

[Roman Ukolov report under the "Statistics" rubric: "Criminals Increasingly Prefer To Shoot"]

[Text] Militia Lieutenant General Vyacheslav Ogorodnikov, head of the Russian Ministry of Internal Affairs Public Order Directorate, made public yesterday some of the statistics on the illicit arms trade as well as statistics on the dynamics of crimes involving the use of firearms.

In the last three years, in his words, the number of such crimes has risen from 4,000 to 22,500. One in every nine murders is committed involving firearms. Last year, 1,366 handguns and revolvers, 1,946 automatic rifles, 140 machine guns, six missile launchers, and 33 grenade launchers were seized from criminals.

Participants in the news briefing noted that there are several avenues through which weapons reach the "black market." The first, and the most massive, is the smuggling of weapons from "hot spots" in the CIS states. The second avenue is the stealing of weapons from factories producing firearms. Recently 14 groups of criminals who were stealing the main product have been discovered at the Tula firearms plant alone. In Izhevsk, the activity of a group of "Izhmash" production association employees, who carried out thefts of automatic weapons which they later sold, was cut short. Thefts are committed also at Defense Ministry installations located on the territory of Russia. As in the case of the plants, the reason for arms "leaks" consists in unsatisfactory arrangements for storing them and unreliable guards.

Mirzayanov To Receive R30 Million in Damages

MK0906085994 Moscow SEGODNYA in Russian 9 Jun 94 p 1

[INTERFAX report: "Vil Mirzayanov To Be Paid 30 Million Rubles In Compensation"]

[Text] The Perovskiy district court in Moscow passed a decision yesterday under which the General Prosecutor's Office should pay Vil Mirzayanov 20 million rubles (R) for causing damage to his moral and physical state, and for illegal prosecution, while the Organic Chemistry Research Institute, where the scientist was earlier in charge of the department for counteracting foreign intelligence services, should pay him a further R10 million. The court rejected Vil Mirzayanov's suit against the Federal Counterintelligence Service [FCS] on the grounds that the FCS—after the Security Ministry was abolished and primary investigation functions were transferred to the Prosecutor's Office—is no successor to the Security Ministry. "This is the first case in which the court has defended the interests of a citizen who suffered from the state's high-handedness," said Aleksandr Asnis, the scientist's lawyer.

Economic Issues

Chubays on Privatization Results

LD0806163294 Moscow INTERFAX in English 1429 GMT 8 Jun 94

[Text] Vice-Premier Anatoliy Chubays in an exclusive interview with the Financial Information Agency today said that after the deadline for using privatization vouchers (July 1) Russians might still have about 5 million unused vouchers (over three percent of the 148 million vouchers distributed among Russian citizens).

"Inevitably a part of the vouchers will remain unused. However, those five million amount to only three percent of the total number and the fact that 97 percent of Russians will have used their vouchers by July 1 is an indication of the large-scale success of privatization", Chubays said.

At a Wednesday news conference in Moscow Chubays said that by June 6, 126 million vouchers had been invested. The State Property Committee will auction 63 very promising companies for vouchers this month, among them platinum producer Norilsk Nikel, the oil company Megionneftegas and the Beryozka chain of stores.

Chubays said that this unprecedented drive will allow Russians who have not yet invested their vouchers to exercise their right to purchase a share of former government property. He denied rumors about the prolongation of privatization for vouchers, stressing that July 1 was the deadline.

Commenting on the results of privatization, Chubays said that by June Russia had turned 18 out of 22 thousand big and medium-sized companies subject to privatization into joint-stock companies. Over 50 percent of industry is now privately owned, by July 1 the figure should grow to 70 percent. Over 250 major manufacturing facilities have been sold through national auctions held in 86 regions. Since the beginning of the year government property worth 45 billion rubles was sold for vouchers at auctions. Chubays said he believed the figure in June would be 93 billion.

Chubays said that most of the 600 voucher investment funds had held the first meetings of share-holders over the past two months and paid small but acceptable dividends.

He added that the State Property Committee has serious complaints against 15 funds and their operations will be investigated.

Speaking of privatization after the expiry date for vouchers, Chubays said that by June 15 amendments to the draft program will be collected and after that the program will be submitted to the government for final approval. He said that after July 1 it is expected that some 20 percent of government property be sold for cash.

Luzhkov, Chubays Debate Privatization

LD0806154394 Moscow NTV in Russian 1700 GMT 5 Jun 94

[Interview with Deputy Prime Minister Anatoliy Chubays and Moscow City Mayor Yuriy Luzhkov by Itogi announcer Yevgeniy Kiselev—date and place not given; from the "Itogi" newscast—recorded]

[Text] [Kiselev] It seems that none of last week's events has evoked such an intense interest in the media as a sharp aggravation of the conflict between Deputy Prime Minister Anatoliy Chubays and Moscow's Mayor Yuriy Luzhkov. It is known that Yuriy Luzhkov maintains that privatization in Moscow should be implemented taking into account the capital's individual characteristics. Luzhkov sharply criticized the Chubays-style privatization. Anatoliy Chubays has his own arguments and position. You will get more details from interviews with both sides of this dispute about fundamental principles.

[Luzhkov] We have made our decision on all the conditions of privatization in Moscow proceeding from the city's interests, and I see no need to change anything in our attitude to what is taking place in the sphere of privatization.

[Kiselev] Even despite Anatoliy Borisovich's [Chubays'] appeal to the procuracy demanding that not only this decision but a number of others, too, should be cancelled?

[Luzhkov] I can say that Chubays' appeal to the Russian procuracy has no legal grounds, it is nothing but a demonstration and a wish to intimidate the Moscow government and myself. I think that the procuracy will draw an unequivocal conclusion regarding the way we comply with Russian Federation laws. We have not violated Russian laws. We are speaking about our attitude to privatization, the results of its first stage and the failings and failures of the first stage of privatization. The state budget has not received anything, there are no property owners, there is no middle class and territorial individual characteristics are being neglected. Now, when speaking about the shaping of the second stage Mr. Chubays says that the second stage will be based on the achievements of the first step in privatization. What achievements? There is a total failure, a complete mess! What achievements can we talk about?

[Chubays] My position is very simple. After all, I am not discussing the advantages and disadvantages of privatization with Luzhkov. I am not discussing with Luzhkov whether it is good or bad. I am not discussing with Luzhkov whether he likes it or not. I am speaking about something completely different. I am not debating. I demand that Luzhkov comply with the Russian legislation, Russian laws, the decrees signed by the Russian president, the government decisions signed by Chernomyrdin...

[Kiselev interrupts] Anatoliy Borisovich, excuse me for interrupting you but do you not think that your tough attitude toward Moscow Mayor Luzhkov on privatization issues is indirectly affecting the president, his political prestige and authority? After all, at the time the president instructed you to take into account Moscow's individual characteristics while implementing the privatization program.

[Chubays] I think that what does affect the president very strongly and is directed right against the president is not my stand on the issue but the blatant violation of presidential decrees currently in force by Mr. Luzhkov who continues to regard himself as a supporter of the president.

[Kiselev] Yuriy Mikhaylovich [Luzhkov], considering that the president has given Chubays his political support, are you not afraid to incur the president's displeasure because of your criticism of Anatoliy Borisovich?

[Luzhkov] I am not afraid and I will tell you why. First, because as early as last December I told Boris Nikolayevich [Yeltsin] that we had arguments against Chubays' methods and asked him to receive us. Boris Nikolayevich met with Chubays and myself and after listening to both of us, made a decision. He instructed Mr. Chubays to prepare a draft decree which would consolidate the individual characteristics of privatization in Moscow, because in his view privatization issues should be solved in a somewhat different manner while preserving the goals and the main principle of reforming the economy.

Well, one must say that Chubays failed to comply with the instruction, despite the fact that an absolutely unequivocal and clear instruction was given to prepare a relevant draft decree. Following this, a couple of months later I sent Boris Nikolayevich a letter saying that his instruction was being ignored. So he [Yeltsin] gave instructions again, this time to Viktor Stepanovich Chernomyrdin, to take into account Moscow's individual characteristics and prepare relevant documents which would ensure a legal right to implement these characteristics. So another few months passed but no decision has been made. I therefore believe that in this situation I have a free hand to act in order to protect the city's interests.

[Chubays] In fact, I am not at all against a compromise with Moscow. I am truly prepared to design compromise plans applicable to Moscow. But excuse me, as soon as these plans have been approved I will observe them as much as I observe all other presidential instructions. Until such a plan has been designed, as long as the presidential decree on privatization is in force, Luzhkov must comply with it in exactly the same way as all other heads of administration.

[Kiselev] But where is the obstacle to designing such a compromise plan? Who is to design it, you or Luzhkov or jointly?

[Chubays] I think that Mr. Luzhkov's obvious ambition is the obstacle. As you know, we have put forward a concept of post-voucher privatization. Luzhkov's main demands are as follows: First of all, property must not be sold for vouchers because the vouchers have no value, nobody needs them, so property should be sold for money. But the concept of post-voucher privatization envisions selling for money.

Second, Luzhkov used to say that one must not sell so cheaply, much higher prices should be set, property costs much more and it should be revalued. In our concept of post-voucher privatization we proposed that the value of property should be increased at least 12-fold.

Third, Luzhkov said heads of administration should be invested with the right to alter the value of property taking into account local conditions. The concept of post-voucher privatization says in black and white that heads [of administration] are allowed to alter the value of property within a range of up to 200 percent. I could comment on the list of demands in greater detail. Look, in this situation Luzhkov should have become, I do not know, chairman of a movement in support of Chubays' post-voucher privatization, leader of the movement if he had been really interested in the matter and the essence of arguments and not the emotional and political layers enveloping them.

[Luzhkov] We do not like the second stage for quite understandable reasons—the same ones which accompanied the failure of the first steps toward privatization. We are saying again that the individual characteristics of the regions need to be taken into account. And with the second stage of privatization Mr. Chubays and the State Property Committee are again saying: No, everything must progress only as the State Property and as Mr.Chubays instructs.

And this privatization is not always needed and is not always useful, for the City of Moscow, for example. With regard to the privatization of markets, for example. How can we privatize markets today when criminal bodies may buy them up? And if we find it difficult to fight these criminal bodies today when they don't own the markets, imagine the conditions under which our law enforcement bodies will be working when the markets belong to these criminal bodies. Or with the privatization of hotels, for example, the same reason applies, and in addition to this hotels pay a decent amount into the city's budget.

As far as privatization is concerned, we probably need to discuss the fact that privatization should primarily be carried out for economic reasons. If it is advantageous, if the city and the city authorities think that things should be sold, that it cannot manage the property effectively, that the property is not profitable enough, then there is no problem. It should be sold. But if it is of benefit to the city then the city should probably work out for itself what to do with the property. This does not mean we wish to keep property for ourselves, not at all.

Our main aim is to emphasize the problem of the economy and the problem of economic expediency. Chubays, the proponent of the market, says you do not have the right to auction and to sell real estate in the City of Moscow at the price fetched at the auction itself. You are limited to the value of two years rent. Well, please, is this really a market? Is Chubays, the democrat and proponent of the market, really offering a democratic approach to the state? It is a monopoly. It is arm-twisting, which does not allow the city to solve its problems in the economic sphere as the city considers expedient.

[Chubays] It is not the actual problem which is important but the political game-playing in which Mr. Luzhkov is engaging here.

[Kiselev] What exactly are these political games?

[Chubays] That is quite simple. You probably remember that I made a statement about six months ago that Yuriy

Mikhailovich Luzhkov had begun his presidential campaign. This provoked a very skeptical reaction from many people and very few people took it seriously. They thought that Chubays had just decided to make all kinds of accusations against Luzhkov. No serious expert has any doubt today that Mr. Luzhkov is conducting an active election campaign, an election campaign for the post of Russian president. And that is what has triggered all of this.

[Kiselev] Yuriy Mikhailovich categorically denies any intention to start a presidential campaign.

[Chubays] Yes, I heard one of his denials. It is traditional for many politicians to deny things until the last minute, to make people beg them to agree and then agree.

[Kiselev] Excuse me, Anatoliy Borisovich, but do you not think that in accusing Luzhkov of presidential ambitions, you are putting him at loggerheads with Yeltsin?

[Chubays] Well, first the word accusing is inappropriate here. I think that...

[Kiselev interrupts] You did make an accusation.

[Chubays] What do you mean? It is the right of any politician—and incidentally Boris Nikolayevich has himself said many times that he thinks it quite allright for people to want to be presidential candidates.

[Luzhkov] First, I think that it is quite absurd to talk of a presidential campaign now when we have a living president, a president who is working energetically. It is absolute nonsense. We need to deal with the economy now. That is the main thing for the Russian state today. And I would also like to say secondly—and this is perhaps a lot more important from the personal point of view—I have no intention of putting myself forward for high- ranking posts. I have no far-reaching aims. I have already stated many times that my main and only aim is to work in Moscow, for Moscow, and for the people of Moscow. And I do not want to go anywhere, I do not want to go anywhere. I want to do something decent if I can for this city, for my city.

[Kiselev] In your view, does Mr. Chubays have some kind of political ambitions in this dispute with you?

[Luzhkov] Of course he does. You know, when the person in charge of a system has failed in his work, he has to find explanations for society or he has to find a scapegoat to blame and point the finger at him as the guilty party.

[Kiselev] This is the last question that I want to ask you today, Anatoliy Borisovich. You recently appeared on the "Details" program on the second channel and complained that our journalists are often not critical enough of Yuriy Mikhailovich Luzhkov, that they are afraid of the mayor of Moscow. Do you not think that the existing practice of placing paid advertisements in the Russian mass media, in the newspapers and on television—in which a great deal of money is invested—actually restricts the freedom of Russian journalists to criticize Chubays and the privatization program?

[Chubays] You know, I'm sorry but I cannot agree with you that people are stopping journalists criticizing me personally or the privatization program. I can compete with anyone on the number of critical remarks tossed in my direction, which I have actually received. And as concerns the funds which we spend on propaganda and on information about privatization, I think we do very little on this. I am convinced of this and this is one of the areas we still need to work on. We have not given people enough explanations of the nature, meaning, or aims of the program. That is the absolute truth. And when the funds which we spend on privatization and informing people meet their aims we are sincerely pleased about this.

[Kiselev] But there is an important detail here which is not widely known by the public. This money is not, in the main, Russian, it comes from America. The money was allocated by an American agency, a government agency for international development, for privatization advertisements among other things. Do you not think we have a paradoxical picture here—American taxpayers' money is being spent more or less on investment in the Russian mass media to support certain economic and political programs?

[Chubays] You only need to go one step further to accuse Chubays of having been bought out by the CIA. [words indistinct due to Chubays and Kiselev talking over one another] Let us not look at this with stereotypes from the 1930's but in a common sense manner. Some of the funds for information and propaganda about privatization actually do come from Russian money, some of the funds come from international aid to Russia. Moreover, I can tell you that we intend to continue to be active in this sphere. We will gladly accept support from the world community for Russian privatization, especially when it is a matter of free investment from various organizations. I will therefore give an unequivocal answer to your question. Yes, of course we have used them and will use them, and my view is that these funds should be put to even greater use. It would be wasteful to refuse these funds and try to squeeze additional resources for information on privatization from our budget, which is not very generous anyway.

Isakov Takes Issue With Privatization Figures

PM0806155494 Moscow SOVETSKAYA ROSSIYA in Russian 7 Jun 94 p 2

[Article by Vladimir Isakov under the "Parliamentary Diary" rubric: "Chubays' Grandmother (Article One)"]

[Text]

Devoted to the End of Voucher Privatization...

A restaurant was opened on the Arbat recently. There was the usual noise, fuss, shouting, and free refreshments. Frenzied crowds of people—it was nearly a job for the mounted police. A launch!

Privatization itself, unlike an individual restaurant, entered our lives quietly and unnoticed. Three versions of the law on privatization were submitted for discussion. The Supreme Soviet voted for the draft submitted by S. Krasavchenko—the then chairman of the committee for economic reform and ownership. And that was that—no noise, no shouting, no applause. The big launches started later.

Was a blueprint for privatization in Russia formulated? I can testify that it was, I have kept in my archives a copy that was prepared for the press. But Krasavchenko himself persuaded the leadership that wide public discussion would be detrimental to the cause, so the "blueprint" never saw the light of day. Russia was pushed into privatization without a rudder, without sails, and blindfold.

The privatization check—the voucher—made an even more modest and unassuming entrance. When parliament was on its summer recess, the president brought forth the voucher by means of a presidential edict, dispatching to oblivion the Law "On Nominal Privatization Accounts and Investments." The deputies, on returning from their vacations, naturally made a fuss, got indignant, and instigated an investigation. But it was too late—the voucher privatization machinery had already begun to turn.

This summer the voucher celebrates its birthday—it is two years old. Its time is up, voucher privatization is ending, and monetary privatization is beginning. A good time to sum up the results and survey the prospects.

Fond Memories of the Central Statistical Administration...

The results, in brief, are as follows. By 1 January 1994 88,577 enterprises had been privatized, or 56.5 percent of autonomous enterprises. The proportion of privatized enterprises in ferrous metallurgy and chemical and petrochemical industry was in excess of 50 percent, in light industry—98 percent, and in trade—70 percent. Of 71 million people employed in the national economy, 29.5 million work in the nonstate sector of the economy.

Mr. Chubays and some of his supporters draw a hasty conclusion from these figures: Privatization has taken place in Russia and its results are irreversible. And the formal quantitative results appear to confirm this. But the situation is by no means so unequivocal, if you look at how ownership "works" and what proportion of the volume of industrial production it accounts for (Table 1).

As you can see, the real results of privatization are by no means as impressive as "Messrs. Privatizers" would wish. State enterprises still hold a leading position in the economy, and it is they that produce the vast bulk of gross domestic product.

Table 1. Proportion of volume of industrial production accounted for by enterprises under various forms of ownership (1993)

	Billion rubles	As a percentage
Total volume of industrial production	109,423	100
By form of ownership:		
State federal ownership	46,969	43
Ownership by Federation components	10,761	9
Municipal ownership	885	0.8
Ownership by public associations	248	0.2
Private ownership	8,003	7.3
Mixed ownership (without foreign participation)	43,156	39.4

Privatization and capitalization have produced lamentable results in the agrarian sector of the economy. Here are some results of economic activity in the countryside by enterprises under various forms of ownership—Table 2.

[In the following table, column A represents "Number of farms (thousands)"; column B: "Gross output (billion rubles)"; column C: "Proportion of production (percentage)"; and column D: "Proportion of land occupied"]

Table 2. Proportion of volume of agricultural production accounted for by enterprises under various forms of ownership (1993)

	A	B	C	D
Total	19,597.1	22,300	100	100
Agricultural enterprises	27.1	13,826	62	90
Peasant (private) farms	270.0	446	2	5
Personal plots, including orchards and truck farms	19,300.0	8,028	36	5

One can add to this sorry picture the fact that the intolerable conditions, lack of equipment, and the authorities' indifference and complacency have resulted in the mass collapse of private [fermerskikh] farms: 5,000 in 1992, 14,000 in 1994....

The only sphere in which privatization can be considered more or less to have worked is the trade sphere and retailing. You can see from Table 3 what the proportion of various forms of trade looks like in terms of the total volume of trade turnover.

Table 3. Proportion of retail trade turnover accounted for by enterprises (first quarter of 1994)

	Billion rubles	As a percentage
Retail trade turnover (all)	38,585	100
By forms of ownership:		
State	6,824	18
Consumer cooperatives	2,272	6
Private	27,526	71
Other	1,963	5

Those are the basic economic "parameters" of privatization. As you can see, neither fundamental changes in ownership relations nor major structural changes have yet taken place. Nor have new incentives to labor emerged. That is why it has not been possible to halt the decline in production, which in recent months has become disastrous. But what does privatization look like in its "social aspect"? What are its social parameters? Have the "architects of privatization" achieved the much-publicized goals enshrined in the privatization program?

"Formation of a Class of Private Property-Owners..."

The formation of a class of private property-owners was seen in the privatization program as the main priority objective of reform and the guarantee of its irreversibility. According to the country's chief "privatizer," A. Chubays, this task has been successfully resolved. "Nobody has disputed, not even our fiercest opponents, that there are at least 40 million private property-owners in Russia today," he stated proudly at the parliamentary hearings in the State Duma. Is it really 40 million? Nearly one-third of the country's population and almost half its working citizens! Where do these figures come from?

On closer examination it emerges that all those who have taken part in the process of conversion to share ownership are classed as "private property-owners." If you have just one share you are a property-owner, a capitalist, an active supporter and champion of "market reforms."

But that, if you will forgive me, is...cheating. The facts about the rapidly progressing property stratification of Russian society are well known. According to State Committee for Statistics reports, in January 1994 52.6 million people were living below the minimum survival wage level and 26.3 million below the poverty line. (Incidentally, the government immediately "drew its conclusions": The State Committee for Statistics was given a dressing down, and by February the unseemly picture had changed strikingly: The number of those below the minimum survival wage level had fallen to 24.8 million and those below the poverty line to 8.5 million. What success—and for virtually no effort!)

The country's internal market is shrinking rapidly. Television sets, refrigerators, and sophisticated household equipment is gathering dust in the warehouses—not because people do not want to buy them. They would be happy to buy them! They would snap them up! But they do not have the money. Consumption of basic food products has fallen below all limits, by virtually 50 percent.

The Chubays privatization has not created, but destroyed, the middle class—the natural bulwark of democracy, ownership, the rule-of-law state, and the centrist policy. Cultural figures (with the exception of those who serve the regime), doctors, teachers, scientists, and workers and employees at state enterprises have sunk into an abyss of poverty. The Chubays privatization has not created, but destroyed, the property-owner. The role of the rank-and-file share-owner in the management of production is even less today than at the earlier "socialist" enterprise. The distance between the worker and the product of his labor has not lessened, but increased.

The famous "grandmother" for whom Chubays shows such touching concern has certainly discovered what a "dividend" is—the word is on everyone's lips. What a great discovery! Why should she have known, before, that 3 percent annual interest on her savings bank investment was a dividend too? But how was she, an old woman, supposed to guess, when she went off to vote for Yeltsin and Chubays, that they would deceive her so shamelessly?

The predatory privatization casts an entirely different light on the universally slandered and despised Soviet "bureaucrat"—the manager. Why? As a rule he knew his job, he was afraid of the boss, and he strove to forge a career. He received a wage "no higher than the wage of a skilled worker" and he took bribes in moderation (if at all). Nowadays they know nothing, do nothing, and are afraid of nobody. I say nothing about bribes.

Despite the dense curtain of lies and "market" demagoguery, it is gradually getting through to people that they were robbed. True, under socialism they were not called "shareholders," but everyone, if you think about it, was a share-owner in that giant enterprise called the "Soviet Union." Everyone received a guaranteed wage of not less than the minimum established by the state, he was guaranteed free education, health care, travel passes, benefits.... Just imagine for a moment that back then, "under stagnation," an entire enterprise's wages had been held back for three or four months.

Unfortunately, our giant enterprise was not always well managed and it lost out in the worldwide competition with the West in the sphere of technical progress. Infringements of human rights occurred in it, and the

press trumpeted them across the world. Today it is silent. Because you could hardly find another country where human rights are infringed the way they are in Russia today.

In order to rectify matters, it was certainly not necessary to knock the "enterprise" down to its foundations and leave it to the four winds. First of all the traitors and sons of bitches wrecked the Soviet Union, contrary to the people's will, and now, like squirrels, they are dragging into their holes whatever remains from the wreckage. The onlookers who were present were rewarded with a piece of paper—the voucher—so as to maintain as long as possible the illusion that in the shareout of the stolen goods, you too will receive some little crumb.

Yavlinskiy on Failure of Reforms From Top

MK0806094094 Moscow SEGODNYA in Russian 8 Jun 94 p 2

[Viktor Khamrayev report under the "Revelations" rubric: "Grigoriy Yavlinskiy Analyzes Reforms Failures. In His Opinion, 'Further Reforms Are Only Possible From Below' in Russia"]

[Text] Grigoriy Yavlinskiy gives Russia another three to four years to make the final choice: Either it is a civil society working for its own benefit in an economy suited for it, or it is a "super-monopolized economy serving only a mafia-like government." Today, the leader of the "Yabloko" Duma faction stated at a meeting with students and teachers of Moscow State University, "The threat of the second option is great."

Mr. Yavlinskiy sees the reasons for that in our "most unique system formed over the recent 80 years"—it has manifested a "staggering capacity for reproduction." The uniqueness of this system, according to Yavlinskiy, lies in that it was conceived as a super-monopoly and "was supposed to work without money, whereby it placed itself outside the law and therefore was sustained by connections, injunctions, and intimidation." "We have made the main error," the author of the "500-Days" concept went on to analyze the reform effort, "by freeing this essentially mafia-like system, whereas it was society that had to be freed from it."

The possibilities of "reforms from the top," Mr. Yavlinskiy pledged, have become limited to "a feeble liberalization of prices and decentralization of their control." In unison with the voucher privatization liked "only by those who got their checks for free," these measures have helped the old system take on a new form. Now it "is seeking to strike its own internal balance," in order to preserve unaltered the new situation, "unique in world experience," which provides a material and technical base for the mafia's final accession to power. "I did not realize this at once," admitted Mr. Yavlinskiy, "but if neither the president nor the government do not think it necessary to talk about a program of further reforms, only one conclusion suggests itself: No programs are needed, all reforms have already been carried through."

Further reforms, in the view of "Yabloko's" creator, are possible only "from below." To enable them, Russia would need, for the next five to seven years, "a professional, competent, not self-centered government which, having sensed the needs of society, would stop interfering in its work." The financial support for the new stage of reforms, Mr. Yavlinskiy thinks, can only be the dollars that Russian businessmen have transferred abroad: "Conditions should be created so that businessmen would start bringing back their accumulations with no fear or misgiving."

Grigoriy Yavlinskiy spoke against early presidential elections and vouched that he would run for the presidency only if there are going to be "lawful elections rather than mafia-like shoot-outs."

Banks Association Chief Favors Protectionism Pro Tem

PM0806125594 Moscow ROSSIYSKIYE VESTI in Russian 8 Jun 94 p 6

[Interview with Sergey Yegorov, president of the Association of Russian Banks, by Yelizaveta Volgina: "Competition in the Banking Sphere Must be Sensible"]

[Text] A great deal has been said about foreign banks' penetration of the Russian market. The arguments for and against are well known. Only the circumstances and the mood among state officials change. Despite the Russian Federation president's edict restricting foreign banks' activities in Russia until 1996, the Central Bank leadership is making its own plans: To start issuing licences to foreigners this very June. Russian bankers are protesting... Sergey Yegorov, president of the Association of Russian Banks, gives his account.

[Volgina] Sergey Yefimovich, one of the most awkward questions for Russian bankers at the moment is the penetration of of our market by foreign banks with their potential. You used to take a negative view of foreign capital coming into Russia. What is your view of this problem today?

[Yegorov] In principle the Association of Russian Banks is in favor of foreign investments and foreign banks in Russia. We would not want foreign banks to be barred from the Russian economy and banking system forever. But we believe that the influence of foreign capital should be temporarily restricted, so that we are not prevented from establishing our own banking system. This is a very important point, because economic reforms are simply impossible without a well organized national banking system. This system is a key component of the market reforms. The creation of it is a very painstaking task, which no one is going to do for us, no foreign states, no foreign banks. If we look at it from the viewpoint of the state, the question now is as follows: Do we need a national banking system and what does that entail?

[Volgina] And what is the answer to this question?

[Yegorov] It is necessary and it is being actively created. But we must look at the question from the other angle: How important is international banking practice to us and how active should we be in encouraging the establishment of foreign banks in the Russian economy. We must also bear in mind the fact that since our banking system is just finding its feet at the moment and is not yet ready for serious competition, what we have to create first is favorable conditions for national banks. Even a country like Spain, a country with a developed market economy, let foreign banks into its economy only recently—two years ago. Hitherto it has been extremely difficult to open a foreign bank in Japan. All countries try to protect national interests. So we must use—wisely, of course—a system of protectionism, bearing in mind that all sectors of the national economy must be under state tutelage. In particular, such a delicate instrument as the banking system.

[Volgina] In what way is foreign banks' active penetration of the economy damngerous?

[Yegorov] Money is an instrument with which you can command an entire economy. The entire capital of our young banks may be smaller than the capital of some foreign bank... It is perfectly clear that our banks will be taking up the rear and will be unable to compete in equal terms with foreigners.

[Volgina] But it is competition that should be the basis of all banking...

[Yegorov] Yes, but it must be sensible. Now is not the time to give foreign banks extensive access to the Russian economy. It is not a matter of fear. It is a real awareness of the situation that prevails in the banking sphere. Therefore the president issued an edict stating that the issuing of licences to engage in banking activities in the Russian economy must be delayed for a while—until 1 January 1996. This edict is absolutely correct. It enables us to grow stronger, to equip ourselves, and to train staff. Then we will be ready to compete with foreign bánks. Remember Solzhenitsyn's "The Calf and the Oak Tree"? Well, foreign banks are an oak tree we could break our horns on.

Economist Shmelev Lauds Yeltsin Edicts

PM0806144194 Moscow ROSSIYSKAYA GAZETA in Russian 8 Jun 94 First Edition p 1

[Interview with Doctor of Economic Sciences, Professor Nikolay Shmelev by unnamed ITAR-TASS Correspondent: "Treasury-Funded Enterprises—A Means of Softening the Blow"—first paragraph is introduction]

[Text] The Russian President's recent edicts remain a topic for discussion among economists and politicians. Your ITAR-TASS correspondent met with Doctor of Economic Sciences, Professor Nikolay Shmelev.

[Correspondent] What is your assessment of the package of "economic" edicts that the president has signed?

[Shmelev] I do not know about the "mini economic revolution" that some newspapers have been talking about, but the very fact that these edicts have appeared attests to the desire of the country's leadership to move forward and not merely stand still.

Take taxation policy, for example. Perhaps I am oversimplifying things but for a long time I have wondered why our leadership just cannot understand that the lower a tax is, the higher the tax yield to the treasury is, and not vice versa? But our age-old tradition is to live by "jacking up prices" rather than by increasing turnover, a practice which we did not change in the period of liberalization. Let us recall, for example, the fuss that the first congress of people's deputies made about the progressive tax on personal incomes but the result was that if you earned just slightly more than a nurse there was no point in working, you had to resort to theft... Gaydar introduced some incredible taxes, which he justified with a single moral argument: I know that this is bad, he said, but the budget has to be balanced somehow and the gaps have to be plugged: Just as soon as things get a little easier we will have a normal taxation system. In our country, however, everyone has known for a long time that there are no difficulties more permanent than the temporary ones.

These edicts seem to reflect the philosophy that President Reagan pursued with such success: He cut taxes to a little over 30 percent, freed investments from tax, and as a result the treasury received more than it had done beforehand. If we really start to be guided by the same principles—if we reduce the infamous value-added tax, finally exempt investments from tax, give tax breaks to new investors, including foreigners, cut the rate of profits tax, and so forth—the situation will be encouraging.

In the final analysis there is a political interest to all this. Just look at the pressure from taxation in Russia on industrial enterprises and on private business, in particular. The tax system drives private initiative out onto the street, into "back alleys," into street stalls, or at best into commercial banks—fine, just so long as that doesn't mean into mafia structures. There are not many people who want to engage in the business of production because that is known to be a loss-making venture. And if we are finally beginning to overcome this tendency, it means there is the likelihood that the Russian economy will become more efficient. Second, even though there is a certain naivety in these documents—they contain all sorts of fines and penalties for nonpayment and so forth—an attempt by the state to take control of the tax sphere can only be welcomed.

[Correspondent] But how do you regard the idea of creating a new category of production units in state ownership—the so-called "treasury-funded [kazennyy] enterprises"?

[Shmelev] In principle this is a good attempt to begin the scrapping of production units that are not viable by means of direct adinistrative pressure on them. We have

not yet made up our minds to resort to the normal and natural market method of bankruptcy even though it is clear that in the end we cannot avoid this. But you can understand this indecision. It is due to the fear of unemployment, the next social catastrophe after the confiscation of savings and the fall in the living standard. "Treasury-funded enterprises" are the means whereby we hope to soften the blow.

[Correspondent] What about the edict on abolishing export licenses and quotas?

[Shmelev] I know that some businessmen do not see this as a particular improvement because the export sales outlets have still been carved up by monopolists. Nevertheless, we should consider the fact that Russia is still virtually the only country in the world which pursued the absurd policy of curbing its own exports. Not encouraging them, but curbing them!

Of course, there were objective reasons for that, the main one being that domestic prices, primarily for raw materials, lag behind world prices. Now prices are evening out and the potential for making a fortune through export speculation is being nullified. Another reason is the massive exodus of capital abroad. Nevertheless, restrictions on the export of non-strategic goods, not MiG's or nuclear technologies but the most ordinary goods, is the height of absurdity. The fact that we are doing away with it, that we are moving in our economic philosophy away from the absurd ("Beware! They Are Selling Russia Off!") toward common sense is an undoubted blessing.

Bread Price Hike Threat Allegedly Groundless

PM0806153594 Moscow TRUD in Russian 8 Jun 94 p 1

[Yelena Berezneva report: "Private Storehouse in Motherland's Granaries. 'Roskhleboprodukt' Promises Impending Drastic Rise in Price of Bread"]

[Text] The statement by Leonid Cheshinskiy, president of the "Roskhleboprodukt" Joint-Stock Company, came like a bolt out of the blue. It concerned Russia's granaries, which are allegedly empty. Grain reception enterprises, according to Cheshinskiy's rumors, have already bought all the Russian peasants' grain surpluses at the former extremely low price of 90,000 rubles [R] a tonne on average. Wheat from state resources is now being used. And since it costs R200,000 a tonne owing to spending on storage, transport cost, and "jacked up" interest rates, you can expect a rise in the price of your daily bread.

Arkadiy Gurevich, director of the "Roskhleboprodukt" Joint-Stock Company's Market Conditions and Pricing Analytical-Information Center, confirmed the planned rise by the end of the year in the price of Russians' basic food—to at least 1,000 RUBLES A LOAF. He based this sorry idea on the fact that prices of fuel and energy resources are "rocketing" in turn as a result of which reception, cleaning, and drying of grain are more costly. Plus storage costs....

But, according to Gurevich, the Ministry of Agriculture is still taking on a great deal. When he made his statement Cheshinskiy was evidently taking into consideration the fact that the ministry had informed agrarian specialists at local level of so-called advised rough prices for harvest 1994 grain. And these guidelines are over twice as much as last year's. For instance, peasants will be demanding R220,000-250,000 per tonne of food wheat. Insofar as beginning this coming fall, grain that is more costly from the outset will be coming in for processing, "Roskhleboprodukt" considers it its duty to prepare Russia for the new prices of the finished bread.

This stance on the part of "Roskhleboprodukt" leaders has caused indignation within the Ministry of Agriculture. People there categorically deny giving agricultural enterprises any advice about the specific prices of this harvest's grain.

What is more, some of the ministry's leading specialists view Cheshinskiy's move as gross indiscretion on the part of a commercial agent who regards a Russian peasant's tractor as a free ride. They think that grain farmers will naturally sell the new harvest's grain at a higher price than in previous years. But Cheshinskiy intends to give them only a fourth of the 1,000-ruble loaf of the future. And that is daylight robbery. Incidentally, of this R1,000 the cost of processing accounts for at most R100, delivery accounts for another R100, and R50 is the trading outlet's share.... Together with the cost of the raw material, that is to say the actual grain, the above expenditure on bread production totals, according to Agriculture Ministry economists' rough estimates, not R1,000 but merely R500. And it is clear who will get the other R500 demanded from the customer and where it will go. I am talking about "Roskhleboprodukt," which has a fortune of its own. Nothing to do with the state.

Many people in the ministry are puzzled as to why this commercial and essentially private structure has been accorded the function of state buyer for grain procurement. "Roskhleboprodukt" is moreover being given the role of monopolist agent between the grower and the miller and then the customer. Were this and other middlemen to be taken out of the picture, Russian foodstuffs, bread included, would be 40 percent cheaper.

The picture looks strange. Leonid Cheshinskiy hinted that the motherland's granaries are already empty. Some other sources of information attest that there is nonetheless almost 18 million tonnes of grain in these granaries—almost six months' supply. Yet the silos and, even more so, the barns out in the countryside are brimming with grain, and, being last year's grain it is consequently cheap.

Why then is "Roskhleboprodukt" scaring us today with the thought of tomorrow's prices of our main foodstuff? There is the view that the firm wants to get preferential

loans from the state for the coming procurement campaign without waiting for the harvest.

In all self-respecting countries grain production and the grain question in general is an area of state policy. Apart from perhaps present-day Russia where the state has given up the "palm" in this business to a commercial structure. But what if our motherland's granaries become a private storehouse? Then you will really see what prices will do. And do not grumble about it.

Gold Reserves, Production Figures Reported

LD0806161594 Moscow Russian Television Network in Russian 0400 GMT 8 Jun 94

[Text] Russia intends to increase its gold production substantially in the very near future, says Yevgeniy Bychkov, the head of Russia's Committee for Precious Metals and Precious Stones. This year the country has increased gold production from 149.5 to 157 tons. Gold reserves currently amount to 307 tons. Of this total 157.2 tons are held by the Committee for Precious Metals. The rest is under the jurisdiction of the Central Bank.

Quotas for Russian Oil Tankers Proposed

LD0806185194 Moscow INTERFAX in English 1459 GMT 8 Jun 94

[Text] The Russian Sea Transport Department might soon submit to the government a proposal on the introduction of strict quotas on the transportation of Russian oil by Russian tankers.

A spokesman for the department Dmitriy Kokorin said that at the end of last month the leadership of the country's only tanker fleet Novoship (Novorossiisk) asked the department and the State Oil Company Nafta to give priority to Russian tankers in transporting export oil.

Novoship and the department account the steady decline in the share of export cargoes transported by Russian tankers to the fact that most oil contracts between Russian exporters and foreign customers are on FOB (free on board) terms.

Under such contracts exporters deliver oil to the port of dispatch while the importer is responsible for the rest of the transportation. At the moment most Western oil importers are using their own tanker fleets while Novoship tankers are standing idle.

Novoship has 45 tankers with a combined payload of 2.1 million tons, 16 oil and ore ships with a payload of 1.4 million tons and 5 oil and ore ships working for the Russian-Norwegian shipping line Novoklav.

Nuclear Issues

Illicit Traders in Weapons-Grade Uranium Detained

PM0906103194 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 9 Jun 94 p 1

[Andrey Ishchenko report: "President Informed That Butcher and Plumber Are Trading Uranium"]

[Text] Usually the reports of the arrest of Russian citizens attempting to earn foreign currency from trading in radioactive materials arrive from abroad—from Germany, Hungary, or Poland. But it turns out that our own special services do not always allow wrongdoers to cross the state border freely. As transpired just the other day, back in March. Showing exceptional vigilance, staffers from the Russian Federation Federal Counterintelligence Service [FCS] St. Petersburg Directorate's Antiterrorist Service arrested a group of people intending to sell more than three kilograms of highly enriched uranium dioxide (Yevgeniy Lukin, chief of the St. Petersburg FCS Public Relations Directorate, reported that the mole fraction of the uranium-235 in the mixture of isotopes was 90 percent). The FCS believes that this time too the stolen uranium-235 was destined for foreign buyers.

In February St. Petersburg's counterintelligence officers received their first information on the planned deal. In order to locate all uranium storage sites and not miss a single gram of this strategic raw material, the FCS operatives "played along" with the dealers and rounded up all those involved in March. They confiscated 3.05 kg of uranium powder, which had been stored in a half-liter glass jar and metal flask—the dealers were clearly not too worried about their own health.

But that is not the most important point. The fact is that until recently most of the "unorganized" traders in radioactive material (one of the people arrested turned out to be a butcher, another was a plumber) had been trying to sell as strategic raw materials radioactive waste, or even real uranium, but minimally enriched—turning it into dangerous bomb material would require huge amounts of money and a highly complex production process. But this time, if the St. Petersburg FCS directorate's information is to be fully believed, we are dealing with real weapons-grade raw material. It was stolen "from an enterprise near Moscow" (presumably the cities of Bolshevo, Elektrostal, or Noginsk—Ed.). This was where the butcher, the plumber, and co. removed three whole kilograms of highly enriched uranium (in gloves, they claim) without being stopped.

All the arrested men are now in St. Petersburg, where they are being interrogated. A case under Article 223 Note 3 (theft of radioactive materials) is being brought in the place where the crime was committed—the Moscow area. The president has been notified of the incident in a special report.

Instead of Commentary

We would recall that last fall our newspaper published the results of an investigation which resulted in our journalists, posing as buyers of fissionable materials, acquiring weapons-grade (highly enriched) plutonium and uranium from illegal traders. We had also come across an SS-20 warhead in private hands. People tried to refute the results of our investigation until the NOVAYA YEZHEDNEVNAYA GAZETA Editorial Office received a document from Ministry of Security experts fully confirming that our correspondents had indeed obtained weapons-grade plutonium.

When the RTV program "Eks" broadcast some of the results of our work, V. Mikhaylov, minister of atomic energy, issued an angry letter through ITAR-TASS categorically denying that it was possible to steal uranium and plutonium from the enterprises under his jurisdiction.

But now there is today's case.... We are not gloating, it is simply that in our reports of last year we cited Elektrostal as a city where uranium was being filched from a plant in milk cans.

The NOVAYA YEZHEDNEVNAYA GAZETA investigative service and science department will henceforth be conducting joint investigations into the ways in which strategic materials and nuclear weapons are being lost. We would recall that there are two days to go until subscription closes.

Hardship Fosters Militancy Among Nuclear Power Workers

PM0806161594 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 8 Jun 94 p 1

[Oleg Volkov article under "Government Debts" rubric: "It Seems That the Atom Is Ceasing To Be Peaceful"]

[Text] Representatives of the nuclear power industry workers' trade union are preparing to participate today in the "Rosenergoatom" concern's traditional monthly conference of nuclear electric power station [AES] directors—they intend to ask the leadership bluntly: Either use any means to attempt to rescue the sector, or stop kidding people and shut down the reactors.

The point is that the majority of rank and file turbine and reactor operators, engineers, and even cleaners at the nine Russian AES's have already forgotten what regular wage statements look like, and do not intend "to put up with this appalling situation any longer." The ordinary nuclear power industry workers have no one left on whom they can depend: The many months of maneuvering by the "Rosenergoatom" president, his deputies, and the AES directors in Russia's vast corridors of power, the entreaties to the government, and the undisguised threats to abandon all work on improving the reactors' safety systems—all this did not change the situation in the sector as a whole. The indebtedness of the main consumer of the electric power generated by the AES's, the "YeES Rossii" Russian joint-stock company, has doubled since the beginning of the year and stood at 650 billion rubles [R] 1 June. It's a long time since nuclear power workers gave a thought to profit: They would just like to survive and pay off their own debts (for fuel, new equipment, construction, and repairs—amounting to R574 billion). So as to at least stay afloat, the AES directors have been forced to economize on everything, but even this is not saving them. Only a handful of fuel assemblies and spare parts for planned repairs remain, and at several power stations it is time to enlist psychotherapists en masse to calm down the seething work force.

Just recently the union of nuclear power engineering and nuclear power industry workers had completely peaceful inclinations: There was the good-natured picket at the White House, the calm talks with the government and at the Duma, the not too insistent requests to the new deputies to be, to put it mildly, more attentive to the AES's—the reactors, they said, don't burn wood. (The only exception was the Bilibino AES in Chukotka, where several power station workers staged a protest hunger strike and threatened, in contravention of the law on resolving labor conflicts, to go on strike.)

However, after the latest high-level document—on this occasion a report on the proceedings of a conference on normalizing the situation in the sector hosted by First Vice Premier Oleg Soskovets—proved not to be worth the paper it was printed on, the trade union decided to reject any form of subordination. Now for the most important question: Will the directors succeed in maintaining strict discipline at the power stations in the coming months? (And it is so surprising how, in a constantly nerve-racking situation, the AES's have managed to get through six months without any serious emergencies?)

The union recently sent a letter to the State Duma containing a proposal to immediately appropriate R574 billion to cover AES debts or to reach a decision to close all the stations down, paying for all expenditure on the reactors' shutdown, cooling, and unloading, as well as on maintaining them in a safe condition for the next five years. (The nuclear power workers calculate that this will run up a bill of more than a trillion rubles). The nuclear power workers would, of course, like to avoid the latter option, as well, incidentally, as "vigorous actions" in the event their demands are ignored yet again. By law, nuclear power workers cannot strike at all, but Vladimir Koshkin, deputy chairman of the trade union's central committee, stated yesterday in a telephone interview for your NOVAYA YEZHEDNEVNAYA GAZETA correspondent that AES workers are "prepared for any form of protest." So on this occasion it is possible that the situation will end not only in group hunger strikes—and then the government will not get away with handing out crumbs.

Federal Assembly

Yeltsin Approves Draft Laws Submitted to State Duma

LD0806204794 Moscow ITAR-TASS in English 1612 GMT 8 Jun 94

[Text] Moscow June 8 TASS—Persuant to the Treaty of Civic Accord Russian President Boris Yeltsin has approved a schedule for preparing draft laws to be submitted to the State Duma in June, 1994.

The Russian president's representative in the Federal Assembly has been instructed to coordinate with the State Duma and the Russian Government to finalise draft laws to be considered by the lower house of parliament.

Among them are draft laws establishing the procedure for passing and enacting federal laws, amending the law on the state border, bills on the juridicial system in the Russian Federation, on the Russian Government, on fighting organised crime and others.

Yeltsin, Shumeyko Discuss Federation Council

LD0906123594 Moscow ITAR-TASS in English 1148 GMT 9 Jun 94

[Text] Moscow June 9 ITAR-TASS—Russian President Boris Yeltsin and Federation Council Chairman Vladimir Shumeyko met in the Kremlin today to discuss the effectiveness of work of the upper chamber of the Federal Assembly (parliament) of the Russian Federation.

Shumeyko briefed the president on the results of his tour of a number of Latin American countries.

Duma Passes Unamended Budget Bill

LD0806162294 Moscow INTERFAX in English 1459 GMT 8 Jun 94

[Text] The Duma passed a federal budget bill for 1994 after its second hearing on Wednesday without introducing amendments to the planned budget revenue, expenditure, and deficit. A total of 227 lawmakers voted for the bill (a quorum requires 226), 40 voted against, and 32 abstained.

The draft of the 1994 federal budget provides for 194.4 trillion rubles in expenditure and 124.4 trillion rubles in revenue with the deficit planned at 70 trillion rubles or 9.6 percent of the GDP.

Legislators approved without debate the Duma Budget Committee's proposal to boost defense spending from 37.1 trillion rubles to 40.6 trillion rubles by redistributing budget allocations. The bill also envisages raising additional funds for defense and other purposes.

Speaking before the vote First Deputy Finance Minister Vladimir Petrov declared that his ministry was dropping its demand to reserve 1.5 trillion rubles to pay off internal currency debts. He said talks will be opened to discuss ways of rescheduling the debts repayment to January 1995.

Under the law the government must take the Duma's budget comments into account and submit the bill for the final third hearing within two weeks.

Deputies on Passage of Budget

LD0806171894 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 8 Jun 94

[Text] [Announcer] The State Duma devoted the whole of today to discussing the second reading of the 1994 federal budget. Here is our correspondent Aleksey Venediktov.

[Venediktov] The passing of the second reading of the budget was replete with dramatic situations. The parliamentary speaker Ivan Rybkin delayed the opening of the evening session by 42 minutes and assembled the heads of all the political groupings in the presidium room. He proposed adopting all the amendments put forward by the budget committee as a single package without voting on each one separately.

Communist leader Gennadiy Zyuganov demanded that Sergey Glazyev should be allowed to speak on one amendment on setting up a non-budgetary fund into which would go the money from privatization and from which the money would be used for the needs of the army. The leader of the Yabloko group, Grigoriy Yavlinskiy, stated that if Glazyev was allowed to say anything at all, then he would demand that all 275 amendments should be voted on separately. As a result of such slight blackmail, all the amendments were grouped together for a single vote.

[Announcer] The document was then passed by a majority of two.

[Correspondent Ivan Trefilov] The State Duma's deputies had the wisdom to leave unchanged the main figures of the budget which were adopted in the first reading. In 1994 expenditure will be 194.5 trillion rubles [R] and revenue will be R124.5 trillion. The budget deficit is fixed at R70 trillion which is 36 percent of the expenditure section.

Thanks to the efforts of the budget committee, some corrections have been made within various articles. There has been a reduction of R4.5 trillion in expenditure on foreign economic activity and a reduction of R1.5 trillion in expenditure on servicing the internal debt. The total savings amounted to R8.5 trillion. These monies will be used to add R3.5 trillion to the defense budget. The subjects of the Russian Federation have received just under R3 trillion. The rest of the savings has been directed to supporting the social and cultural sphere, to scientific and fundamental research and to law enforcement activity. Support was also given to the proposal of the budget committee to create a special

non-budgetary fund to support the army. Ivan Trefilov for Ekho Moskvy from the State Duma.

[Announcer] Those who voted for the budget were primarily the Communists and Agrarians. In an interview to our correspondent [Communist leader] Gennadiy Zyuganov stated:

[Begin Zyuganov recording] This is the logic of common sense. Any government, regardless of its ideology, if it is going to operate, will be obliged to tackle these questions regardless of what its overall basic views are. Everyone wants to eat, work and have social protection and adequate security. [end recording]

[Announcer] Parliament's democratic wing came out against the budget. In an interview with journalists [Yegor] Gaydar, leader of Russia's Choice said:

[Begin Gaydar recording] I would like to point out that the very idea of creating a non-budgetary fund with monies from privatization for financing defense is an obvious delusion. The budget was one small weakness: It is clearly unrealistic. It is clearly out of touch with the possibilities of Russia's economic development in 1994. It has many things which are not at all correct. [end recording]

[Announcer] Grigoriy Yavlinskiy, leader of the Yabloko grouping, holds a position which is similar in principle.

[Begin Yavlinskiy recording] The voting just now concerned the redistribution of 10 percent within the budget. This is not a fundamental issue. In those places where, say, 70 percent of our amendments were adopted it was somewhat improved, but this did not alter the overall situation. [end recording]

[Announcer] The budget will now be sent to the Federation Council. Nikolay Gonchar, chairman of the Budget Committee of the upper chamber, told our correspondent:

[Begin Gonchar recording] It has evidently been suggested to the leadership of the Federation Council that the Federation Council should be convened earlier than planned, that is, perhaps, next week because, I believe, the situation is rather tense. I think the Federation Council will come under very strong pressure and the Federation Council deputies will find themselves between the pressure put on them from above and the pressure put on them from below. [end recording]

[Announcer] However, before the document can be examined by the upper chamber it must undergo its third reading. In accordance with the law, the government should, within a period of two weeks, take account of the observations which the Duma made today and, after this, put it forward for the final vote.

Gaydar on Russia's Choice Abstention

LD0806205694 Moscow Radio Rossii Network in Russian 1700 GMT 8 Jun 94

[Text] To begin our news bulletin, we have a report by our parliamentary correspondent Yevgeniy Zherebenkov.

[Zherebenkov] The State Duma has passed at a second reading the draft law on the federal budget for the current year, submitted by the government, with account taken of amendments added by the Duma's budget committee and the creation of special extrabudgetary funds for defense. The draft law was passed by a very narrow margin. A number of factions, including Russia's Choice and Yabloko, abstained from the vote. This is how Russia's Choice leader Yegor Gaydar explained his faction's position.

[Begin Gaydar recording] Russia's Choice believes that many of the budget committee's amendments make sense. Happily they included a number of Russia's Choice amendments. At the same time, the version submitted still contains a number of items that we find categorically unacceptable.

We draw attention to the very idea of creating an extrabudgetary fund to finance defense at the expense of privatization, which is obviously a fraud, because any person with common sense knows very well that Russia will not be able to obtain this money earmarked for defense out of privatization in 1994.

We are categorically opposed to the fact that a system of transfers that continues to subsidize the south at the expense of the north has been retained in the budget. We believe that the agreement on managerial expenditure was inadequate. We draw attention to the fact that our amendments to cut outlay on agriculture, in particular on subsidies and central investments and to redistribute expenditure on the needs of education, science, and culture were not accepted.

That is why the faction decided to abstain. [end recording]

Shumeyko Calls Policy Unclear

LD0906095794 Moscow Radio Rossii Network in Russian 0900 GMT 9 Jun 94

[Text] The government has no clear budget policy today, while the draft budget it has submitted is simply a statement of expenses, Federation Council chairman Vladimir Shumeyko told journalists today. He believes the draft budget has no purpose. Shumeyko compared it to porridge spread thinly on a plate. Answering a question about the Federation Council's proposal to increase military expenditure, Shumeyko said that this is a demand put forward by life itself.

Glazyev Says Government Wrong

PM0806133594 Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 8 Jun 94 p 6

[Article by Sergey Glazyev, chairman of the State Duma Committee for Economic Policy: "Everything Is Fine, Beautiful Marchioness. Today the Second Readings of the Draft Federal Budget for 1994 Begin"]

[Excerpts] [passage omitted] The first version of the draft federal budget was submitted to the Federal Assembly 18 March. [passage omitted]

The draft federal budget immediately generated sharp criticism in several significant spheres. **First of all, it was submitted without the necessary accompanying documents**, the main one of which is a forecast of economic and social development for the year and a preliminary report on the implementation of the budget in the previous year.

Second, the **realistic nature** of the draft federal budget and the **forecast** based on it generated a great deal of doubt. The findings of the Committee for Economic Policy noted that attempts to meet the figures for the average annual deficit incorporated in the forecasts by further squeezing the real money supply could cause a continuation in the reduction in production by 25-30 percent as compared with last year, which, in its turn, will generate a sharp increase in the state budget deficit, and, as a consequence, a growth in inflation, whose rate far exceeds the forecasted scale. [passage omitted]

Third, the question **of the correspondence of the draft** federal budget for 1994 with **the priorities of the state socioeconomic policy** arose. [passage omitted]

Fourth, important potential income was not taken into account in the draft federal budget. [passage omitted]

Fifth, the prevailing practice of forming funds outside the budget was subjected to serious criticism; these are formed out of quasi-tax payments, but are not taken into account in the budget. [passage omitted]

Sixth, a lot of contradicting information and basic arithmetical mistakes were discovered in the draft budget and the attached materials, the form of the presentation of the budget makes it impossible to assess allocations for many spheres, and the absence of a breakdown of expenditure for programs makes funding and supervision of the implementation of ratified federal programs difficult. [passage omitted]

A large part of the criticism of the budget being adopted remained unanswered, and the insignificant changes which the government made to the draft did not lead to a fundamental improvement. The income, increased by 3,776.5 billion rubles [R] and the deficit, by R6.4 trillion, were mainly targeted at the needs of agriculture, which increased the disproportions in the funding of priority spheres of structural policy even more.

Amplifications were not made to the forecast of the development of the Russian economy, which was evidently at variance with reality. Proceeding from this, the Committee for Economic Policy adopted a decision—**to recommend** that the State Duma should **reject** the draft Federal Law "On the Federal Budget for 1994" given the amendments presented by the government 26 April 1994.

The majority of deputies disagreed with this proposal and voted for the adoption of the budget at the first reading. Although practically all factions made a negative assessment of the draft federal budget and stated the need for its cardinal improvement. Curiously, the opposition parties, which had sharply criticized the economic policy which remains unchanged under the approved draft federal budget, voted in favor of the ratification of the draft federal budget.

It is hard to understand the logic of this decision. Everyone was hoping for the improvement of the draft federal budget during its revision for the second reading, but they were deceiving themselves.

It is **impossible** to improve the draft budget within the framework of an economic policy conducted on the condition of "collective irresponsibility." Behind every entry for items of expenditure in the draft federal budget which has already been approved at the first reading lie opportunist interests which have already proved their supremacy in respect of the approach to the national economy.

Obviously, it will scarcely prove possible to reduce expenditure following the adoption of the draft federal budget in the first reading with such an approach toward forming it. Consequently, it is only possible to improve the draft budget by increasing its income part. And increasing this presupposes, first of all, a repeat examination of the draft federal budget in the first reading, and, second, the need for a serious change in the economic policy being conducted; if only in accordance with the directions of the president's message to the Federal Assembly, which was supported by the Duma.

But that is what the government evidently does not want to do. It is no accident that the proposals of the Committee for Economic Policy to increase income from the privatization and commercial use of state property were given a hostile reception. This is a troublesome matter, requiring long and painstaking work and the implementation of mechanisms for State Committee for the Management of State Property organs to carry responsibility for the use of the state assets they have been entrusted with controlling, strict accountability for income received, and so on. It is far more convenient to continue the policy of the uncontrolled pulling apart of state property on the pretext of building national capitalism. The program of so-called post-voucher privatization is based on the previous mechanism of spontaneous privatization "from below," geared to privatization for the

sake of privatization at the fastest possible rate, without taking into consideration the criteria of economic efficiency.

The same goes for restoring order in the sphere of foreign economic activity. Further increasing income by R6.65 trillion proves to be a less attractive task than the shady redistribution of state income in favor of privileged structures. The adoption by the prime minister of new decisions on granting privileges in violation of legislation was a kind of reaction to the Duma's demand for the revocation of unlawfully distributed privileges and the Edict of the President No. 1007 (once again ordering the government to revoke the unlawful privileges). These include privileges for the purchase of foreign airplanes (and this in a situation in which domestic aircraft builders cannot sell finished airliners amid the acute need to renew the fleet of airplanes, and the program for the development of civil aircraft is being underfunded), privileges on the import of goods for the Goodwill Games in St. Petersburg (although usually the organizing parties try to use international rivalry to stimulate internal demand), and also privileges for the export of oil to Tatarstan (which is in fact a subsidy and should be reflected in the distribution of transfers in the federal budget).

No response has been received to the requests of the Committee for Economic Policy that the government should present some kind of justification for the privileges that have been granted. The same has happened with the inquiries concerning the number of shares of privatized enterprises retained in federal ownership and the dividends received on them....

The answer the Ministry of Finance gave to the proposals made by the Committee for Economic Policy to increase budget income by revoking unlawful privileges is curious. It rejects this proposal because the government has planned to reduce the export tariff rate, which will entail a reduction in income under the heading of foreign economic activity. Obviously, no calculations are cited here. There is no reasonable explanation for this latest unplanned change in the income base of the budget in the process of its examination, either. The aim of such actions is to raise enterprises' income from the export of raw materials, which have gone up in price in relative terms as a result of the growth in domestic prices, which outstripped the fall in the rate of the ruble by 8 percent in the first six months of the year. But after all, bringing the dynamics of the ruble rate into line with price dynamics is an obvious measure in this situation—the correct policy for the exchange rate should actually be geared to settling tasks relating to support for the competitiveness of domestic output and stimulating exports of it. Instead of this, an obviously damaging decision is being adopted—to reduce the export tariff rate, which will lead not only to a significant and unplanned reduction in budget income, and consequently, to the underfunding of planned expenditure and an ensuing increase in nonpayments, but also to the raising of the domestic prices of raw materials. Correspondingly, the competitiveness of domestic output will continue to fall, the structure of exports to worsen, and its volume to decrease, home-produced goods will inevitably be squeezed out by imported ones, and domestic production will be steadily reduced. The income base of the budget will also undoubtedly be reduced.

The most surprising thing is that the proposal to reduce export tariffs comes from the Ministry of Finance, which, by virtue of its functions, should be concerned about increasing the income base of the budget. It is paradoxical but true that the State Committee for the Management of State Property is pursuing a line of spontaneously giving away the property it has been entrusted with, without even being interested in the income it brings, and the Ministry of Finance is proposing to reduce the income part of the budget, and is spending state funds without conforming to the economic effectiveness of this expenditure. And the government is approving and supporting this strange policy, assuring citizens that things are going well and that there will soon be an upturn, whereas even the forecasts made by government research centers inexorably testify to the catastrophic fall in industrial production. As the famous song goes: "Everything is fine, beautiful Marchioness, everything is fine..."

The second reading of the draft federal budget, for which the Committee for Economic Policy has prepared detailed amendments, will take place this week. Their adoption will make it possible to solve the most acute problems of preserving the country's scientific-industrial potential, developing long-term spheres of scientific research, effecting conversion of the defense complex, preventing the degradation of the education system, and implementing the necessary investment programs. This will not have to be paid for by an increase in inflation and a growth in social tension. And responsibility for the management of state property must be reestablished and violations of legislation in foreign economic activity must be ended as soon as possible.

Lack of Policy Criticized

PM0806154894 Moscow ROSSIYSKIYE VESTI in Russian 9 Jun 94 p 1

[Report by Pavel Anokhin: "They Found a 'Stash.' And Immediately Shared It Out"]

[Text] Yesterday the State Duma began to examine the draft federal law "On the Federal Budget for 1994" at its second reading.

However, the previous day, Mikhail Zadornov, chairman of the State Duma Committee on Budget, Taxes, Banks and Finances, briefed journalists on his colleagues' stance. The deputy stated that they had received about 300 amendments to the draft law and studied them all carefully. The committee recommended that the State Duma and government find reserves in the sum of 8.5 trillion rubles [R], mainly from foreign

economic activity and state administration. Mikhail Zadornov proposes that this money be channeled into defense (R3.5 trillion for the purchase of arms and equipment on a targeted basis), into the financing of programs for the transfer, in Federation components, of funds from the balances of enterprises and departments into the local authorities' balances, and into research and development. There was also some for the development of fundamental science (R600 billion) and for public education and the preservation of cultural monuments (R130 billion).

Mikhail Zadornov believes that the development of the economic situation in the first four months of this year confirms the worst fears—the decline in production is continuing, collection of taxes is declining, and the deficit is already equivalent to approximately half the expenditure side of the budget. "The situation regarding nonpayments in a number of respects is worse than in summer 1992, when the nonpayments problem was at its peak," Mikhail Zadornov stressed. "That means that the income side of the budget as a whole is in jeopardy." According to the deputy, the committee refused to pledge income that is not realistic.

Journalists recalled the words of Russian Government Chairman Viktor Chernomyrdin, to the effect that there are no "secret stashes." And they inquired pressingly: Who is deceiving whom? The chairman of the budget committee avoided giving a direct answer and blamed the government for having no clear budget policy concept itself yet failing to accept the legislators' wishes.

Schedule of Duma Debates on Military Topics

PM0906083794 Moscow KRASNAYA ZVEZDA in Russian 8 Jun 94 p 3

[Report by Vladimir Yermolin: "State Duma's June Schedule. Great Deal of Space Given to Army Topics"]

[Text] Our readers want to know what draft laws relating to defense and army life parliamentarians will be examining in June. Before naming some of them, announced in the June schedule, I have to say that the mention of a particular draft law (even when a specific date is given for the discussion) does not necessarily mean that the deputies will actually get round to it.

For instance, the draft State Duma decree "On Amendments to the 19 May 1993 Russian Federation Supreme Soviet Decree 'On Some Measures Connected With the Implementation of the Russian Federation Law "On the Military Service Obligation and Military Service" '" is scheduled for discussion on 10 June. Let us remember that this decree was about reducing or suspending the effect of the preferential articles giving entitlement to deferment of conscription for military service. The conscription situation today is such that adjustments in the direction of further reducing the list of "privileged persons" are simply inevitable.

An examination of the draft federal law "On Amendments to the Russian Federation Law 'On Defense'" is planned for 17 June. A whole range of amendments is envisaged, connected with the military doctrine that has been adopted and the further reform of the Russian Federation Armed Forces.

On 22 June the deputies may adopt on second reading the draft law "On the Procedure for Providing Russian Federation Military and Civilian Personnel for Participation in Operations to Maintain or Restore International Peace and Security and Other Types of Peacemaking Activity." The first reading was on 16 March and the second was planned for the end of April. We are now in June. And our peacemakers are already moving up into position in Abkhazia...

The draft law "On Amendments and Additions to the Russian Federation Law 'On the Russian Federation State Border'" is slated for its first reading on 22 June (how symbolic!).

The draft law "On the Defense Order," which has been a long time in gestation, will be submitted for the supreme assembly's perusal on 24 June.

The State Duma Council is to discuss in June draft laws "On Alternative Service," "On Military Courts," "On Russian Federation Counterintelligence Organs," "On Social Services for the Elderly and Infirm," and "On Veterans." The latter draft law, strangely enough, since it concerns our old people, is a contender for the "longest playing" title. This law has been gestating for an amazingly long time, considering that it had its first reading back last fall in the Russian Federation Supreme Soviet.

Rybkin Criticizes Defense Spending

LD0806202794 Moscow INTERFAX in English 1805 GMT 8 Jun 94

[Text] The speaker of the Russian State Duma Ivan Rybkin is satisfied that the lower house of the Federal Assembly approved the federal budget for 1994 in the second reading. However, he is very critical about the attempt of the Federation Council to considerably increase defense spending.

In an exclusive interview with Interfax on Wednesday evening Rybkin said the swift approval of the budget by the Duma was no surprise for him. "I believed that the Duma would have the will, reason and endurance to do that", the speaker said. For the first time in three or four years the parliament tried to pull together the scattered financial resources of the country.

The speaker said that certain figures in the Federation Council did not want this to happen and they might attempt to tear up the budget. If anyone in the Council of the Federation tries to destroy the budget, Rybkin said, he is ready to tell the public who they used to be and why they have been undermining the budget for four years.

Last week the Federation Council spoke in favor of considerably increasing spending, in particular earmarking 55 trillion rubles instead of 37.1 for defense.

On Wednesday the Duma approved in the second reading the federal budget without making any changes to the revenue, spending or deficit.

The Duma accepted the proposal of its budget committee to increase defense spending from 37.1 to 40.6 trillion rubles through a redistribution of resources in the budget.

Russia's Choice Backs More Defense Spending

LD0806112694 Moscow INTERFAX in English 1020 GMT 8 Jun 94

[Text] This morning the Russia's Choice faction in the State Duma decided to back the draft federal budget in the second reading if 3.5 trillion rubles more are allotted for the needs of defense structures, Russia's Choice member Sergey Yushenkov told Interfax.

He stressed that as the Chairman of the State Duma Committee on Defense he thought that the Army must be given 55 trillion rubles instead of the 37 trillion rubles stated in the draft budget. Yushenkov said he would vote for the proposal of the parliamentary Budget Committee providing for the increase in the funds for defense needs by 3.5 trillion rubles and for the amendment put forward by the Committee on Defense demanding that 18 trillion rubles more be allotted for these purposes.

Duma Television Seen Benefiting Zhirinovskiy

MK0906080794 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 23, 5-12 Jun 94 (Signed to press 7 Jun 94) p A2

[Unattributed commentary under the "Quotation" rubric]

[Text] "... The former Supreme Soviet made a similar decision three years after the elections and died there and then. This is a sure road to death. Let the Duma set up its own channel. I will not be taking part in this...."

Aleksandr Yakovlev, head of the federal television and radio service, said this apropos of the well-known decision by the Duma to "flush" its debates and decrees through television channels.

Many politicians and journalists have since spoken in the same vein. But the Duma, despite the ominous precedent, seems to be bent on going whole hog. Freedom is for the free, as they say. Why is it, then, that the majority of the Duma should be taking chances so recklessly? Most probably because past illusions die hard. Too many politicians are still under the impression that television is a magic wand. That if you own it, you just have to whisper to it: Make me a deputy for another term, and your wish will be granted.

The "next term" is also the imminent presidential elections—that's what eggs on the deputies to accost television. It is the experience of the Supreme Soviet that urges them to make haste. The disaster that hit the previous parliament can also be explained not by the fact that the then deputies created docile television three years after the elections, but that they did not create it three months after them.

In this case, though, the current deputies from various factions do not realize one thing: That doing so would win only one deputy, and only one faction—Vladimir Zhirinovskiy and the LDPR [Liberal Democratic Party of Russia].

The precedent is too fresh in our memory. As far as the LDPR leader is concerned, television is not an improved version of the megaphone, but really and truly a magic wand. This is what his friends-rivals have handed to Mr. Zhirinovskiy.

Regional Affairs

Dudayev Says Russian Policy Threatens New Clashes

LD0806113094 Moscow INTERFAX in English 1020 GMT 8 Jun 94

[Text] The pressure on Chechnya by Russia can seriously aggravate the situation in the North Caucasus and result in widescale armed clashes, believes Chechen President Dzhokhar Dudayev. "The policy pursued by Russia has absolutely no prospects and can lead to a global military confrontation between Russia and the Caucasus which can finally develop into a new Russian-Caucasian war," Dudayev declared in his interview with Interfax.

As Dudayev asserts, young people from other North Caucasian republic who are concerned over the worsening situation around Chechnya are coming to Groznyy. In Dudayev's words, they express their wish to serve in the armed forces of the Chechen republic.

Being interviewed by Interfax the day before, Sergey Filatov, head of the president's administration, accused Dudayev, who has repeatedly voiced sharp anti-Russian statements, of actual disruption of the negotiating process between Moscow and Groznyy. Having recognized that Dudayev possesses the real power in Chechnya, Filatov expressed his hope that the Russian-Chechen dialogue would be resumed in the near term.

Shumeyko: Negotiations With Chechnya Unavoidable

LD0906095994 Moscow ITAR-TASS in English 0714 GMT 9 Jun 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow June 9 TASS—"The negotiating process with Chechnya will have to be conducted," Federation Council Chairman Vladimir Shumeyko told journalists today.

Shumeyko expressed regret in connection with the act of terror against Dzhokhar Dudayev and surmised that "forces which do not want stabilisation of relations" are seeking to impede the process.

He noted that the attitude to the act of terror has changed in Chechnya, "which is evidenced by the stripping of some individuals of the Chechen citizenship".

Stage Set for Refugee Return to N. Ossetia

MK0906083694 Moscow NEZAVISIMAYA GAZETA in Russian 8 Jun 94 p 3

[Unattributed report in the "NEGA Reports" column]

[Text] North Ossetia—A meeting has taken place in Vladikavkaz between republic President Akhsarbek Galazov, parliament head Yuriy Biragov, and Provisional Administration chief Vladimir Lozovoy. The focus of attention was on matters related to the rehabilitation of housing and communications destroyed in the course of the tragic events of October and November 1992, as well as socioeconomic problems in the state of emergency zone. Also taking part in the discussion were members of the government and parliament of North Ossetia, as well as representatives of federal ministries and departments on a fact-finding mission in North Ossetia and Ingushetia.

According to Vladimir Lozovoy, a large group of Russian Federation ministry and department chiefs arrived in the conflict zone to organize preparation for the return of refugees and forced resettlers to four populated areas in Prigorodnyy Rayon, in line with the Russian Federation president's 30 May 1994 edict On Introducing a State of Emergency in Parts of the Territory of North Ossetia and Ingushetia. The meeting pinpointed the main lines of activity by the republic leadership toward adjusting the situation. North Ossetia is ready to implement the Russian president's edict and a corresponding resolution by the Russian Federation Government, but the refugee problem should be resolved in a comprehensive manner, on the basis of the agreements signed in Kislovodsk. A decisive say here belongs to conciliation commissions that were set up in all populated areas of Prigorodnyy Rayon. Their activity is already yielding some results. Thus, residents in the village of Kurtat at their meeting ruled that six Ingushi families return to their former homes, specifying them by name.

Caucasian Public, Cossacks Demand Ingush Hostage Release

LD0806131494 Moscow ITAR-TASS in English 1244 GMT 8 Jun 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow June 8 TASS—The forum of public organisations of the people of northern Caucasus and Cossack troops from Russia's south is prepared to take tough and efficient measures if six Ingush hostages earlier detained in North Ossetia are not released until June 10.

An appeal to the North Ossetian president, which came to ITAR-TASS from the Ingush permanent mission in Russia today, says that if the hostages are held any longer, the forum of public organisations reserves the right to hold up traffic from North Ossetia to the territories of the Stavropol, Kuban and the Don region as of June 11. Other protest actions and sanctions will be taken in future, the appeal said.

Representatives of the north Caucasian people and Cossack troops from Russia's south come out for strict implementation of the Russian president's decree of May 30, 1994, including in part concerning the immediate release of hostages, the appeal said.

Tatar Vice President Assesses Yeltsin Visit

PM0806104194 Moscow ROSSIYSKAYA GAZETA in Russian 8 Jun 94 First Edition p 4

[Interview with V.N. Likhachev, vice president of the Republic of Tatarstan, by Shamil Khammatov, date and place not given: "Visit of Serious Intentions"]

[Text] TATAR-INFORM's special correspondent met with V. Likhachev, vice president of the Republic of Tatarstan, and asked him to comment on the results of the visit to Tatarstan by B.N. Yeltsin, president of the Russian Federation.

[Khammatov] Vasiliy Nikolayevich, I think that you can assess the Russian President's visit not only as a politician but also as a major specialist in the field of international law and a doctor of legal sciences. In this connection, what comment can you make on Boris Nikolayevich's visit to our republic in terms of its international significance?

[Likhachev] This visit is of interest to the international public in the sense that it confirms the very serious intentions of the two sides to reform Russia on the new democratic principles of a true federation. I believe that the Russian president came here not for a purely protocol visit so as to shake hands with the leadership of Tatarstan but in order to emphasize the consistency of his course and his readiness to abide by international standards, in particular the generally acknowledged right of the peoples to self-determination.

In 1990, B.N. Yeltsin said: "Take as much sovereignty as you can." In 1994 he signed a treaty with Tatarstan and I, as a direct participant in that signing, can confirm that there would not have been a treaty had it not been the will of the Russian president himself, who overcame resistance to it even within his own entourage. Yeltsin

acted not just as a strong-willed figure but also as one characterized by political pragmatism.

Finally, the Russian President's visit to our country gave a powerful impetus to the implementation of the treaty between Russia and Tatarstan on the demarcation of terms of reference and the mutual delegation of powers. By this visit and the accord with Tatarstan, Boris Nikolayevich was displaying his democratic image to the public of Russia, the CIS, and undoubtedly the rest of the world. New models of mutual relations were refined and, in particular, support was given to the idea expressed by Tatarstan President M.Sh. Shaymiyev back at the beginning of this year on the decentralization of the administration of Russia—decentralization in the sense of ensuring a balance of the interests of the center and the regions, not in the sense of anarchy, disorder, and destruction.

[Khammatov] Vasiliy Nikolayevich, I believe that I am right in saying that during the visit there was a fruitful discussion of questions connected with the life of the diaspora and with the spiritual and cultural development of the peoples of Russia and Tatarstan in general.

[Likhachev] Yes, I was very pleased that the Russian president firmly supported the implementation of questions of aid for the Tatar diaspora, important domestic and foreign policy questions as far as we are concerned. The discussion centered on the idea that Kazan should become a real coordinator of all Russian policy regarding the diaspora. A coordinator in the best and most positive sense. It is important to stress this so that the leaders do not think that Shaymiyev is going to phone up every day to ask how the Tatars are getting on over there, whether they have been provided with housing, work, and so on. It is important that it is by the joint efforts of all the regions of Russia, and I repeat the word "all," that an intellectual, methodological, scientific, and financial center is created to give the Tatar diaspora help because what we are talking about here is the second largest nation in Russia. Because in essence the work which is being carried out is currently reliant on our internal resources. And today, on the eve of the 21st century, when it is not only general human values which are being developed in a new way but when our own national culture and national languages are to be developed, the vectors of these will be the vehicles of world civilization.

The path to world civilization runs through national cultures and the national perception of life. There must be coordinated joint efforts to realize the idea of the smooth and civilized integration of Tatarstan and Russia into the spiritual and cultural world community. It is very important, the relevant documents have been prepared on the initiative of the presidents, and Boris Nikolayevich gave the corresponding instructions to a number of ministers, to O.N. Soskovets directly, to implement this plan. During this visit the Russian president spoke on behalf of all Russians as a man who has a fine appreciation of the psychological side of the country's life. Incidentally, in the near future I am due to have talks with Russian Federation ministers Kozyrev, Sidorov, and Yegorov on the implementation of these ideas and on their translation into the language of concrete edicts and directives of the Russian president and government.

[Khammatov] Does that also include the implementation of your idea on the creation of a children's folk art center in Kazan under the auspices of UNESCO and the Russian and Tatarstan presidents?

[Likhachev] Yes, this idea received the presidents' support. Children are the source of the spiritual rebirth of Russia and Tatarstan and of all the nations which inhabit their territories. And I think that we will be able to set an example of a state approach in the education of the rising generation, who are the future of both Tatarstan and Russia.

Moscow Government Reviews Public Safety Procedures

PM0806142994 Moscow IZVESTIYA in Russian 8 Jun 94 p 4

[Yadviga Yuferova report: "Moscow: It Is Dangerous to Life Not To Fight for Life"]

[Text] The capital's government has approved the program "Moscow Safety." Not that much money has so far been allocated to implementing it over the next two years—2.6 billion rubles. The program's scientific and technical council is headed by B. Nikolskiy, first deputy mayor of Moscow.

The last time the piercing alarm sirens were sounded in Moscow was more than half a century ago, signaling enemy air raids. Today there are over 800 of these devices located throughout the city—may fate spare every one of us from hearing that alarm.

Leading scientists and practical experts headed by N. Makhutov, corresponding member of the Russian Academy of Sciences, have spent more than six months substantiating possible actions in emergency situations: First, what to do when it has all happened and, second, what to do to prevent a tragedy.

The program is of a scientific-organizational nature. Its purpose is to "reduce the risk of emergency situations, lessen their consequences, ensure efficient actions to eliminate them, and create conditions for accident-free work at industrial enterprises and municipal service installations."

Given our talent for closing the stable door after the horse has bolted, this is a serious psychological step. Having cast off the decrepit clothes of the old principles of civil defense, society must work out and inwardly adopt the principles of mutual collective safety. Because not only malicious but also negligent actions by just one person can pose a threat to the lives of millions of people,

and so man-made [tekhnogennyy] accidents come to the fore in terms of the gravity of their consequences.

In Moscow today there are 66 dangerous installations, but do not think that the nine nuclear reactors head this list. Extremely toxic poisons (ETP's, as the professionals say) are concentrated at food enterprises, cold combines, and water-purification stations. The scientific and technical program provides for a search for new coolants and a strict regime for servicing those workplaces where it used to be hard to find a sober fitter. The government also expects from the specialists a substantiated list of particularly harmful production processes which it would be less painful to close down than to continue operating.

One more important point. Dangerous freight frequently passes through Moscow. The program also provides for a system to license such transit.

Epidemics, explosions, accidents, fires, and natural cataclysms, against which it is impossible to insure, demand efficient work by all the city's rescue services. A single control center will very soon be created for all of Moscow's emergency services. It is a pity that today it is still not possible to announce this telephone number.

In March, in the article "Revolt in Moscow More Terrible Than Nuclear War," I wrote about the big city's most vulnerable spots. In particular, in the capital today there are more than 8,500 high-rise blocks, but the ladders the firemen have had at their disposal reached only to the 16th floor. If something were to happen higher up, hope would have to be placed in the Highest [as published]. Here is today's comforting news: Creation of a helicopter service in Moscow is vigorously under way, and in an emergency help will come literally from the sky. Also, three extra-length ladders which can reach the 22nd floor have been purchased abroad to fight fires in high-rise buildings. It would, of course, be better for those who live on the 23rd floor not to catch fire....

In 1995, for the first time in the city's history, an annual report "On the Safety of the Population" will be submitted to the Government of Moscow.

The recently deceased writer Ales Adamovich liked to repeat: Only one person can save the world, and that person is you.

Sakha Republic Introduces New Rules for Foreign Visitors

OW0906110994 Moscow Russian Television and Dubl Networks in Russian 0600 GMT 8 Jun 94

[Announcer-read report; from the "Dalniy Vostok" program]

[Text] The edict issued by Mikhail Nikolayev, president of the Sakha Republic, Yakutia, establishes special rules for entry into the republic. They concern citizens of foreign states and CIS countries, as well as those republics of the Russian Federation which have not signed the federal agreement. To enter Yakutia from now on, it is necessary for them to have special invitations approved by the local authorities. In a number of instances, citizens in given categories could be refused permission to enter the republic of Sakha, or be expelled before the expiration of their stay. The grounds for this specifically are actions which go against the interests of state security or public order, established traditions and standards of moral behavior, as well as breaches of customs, currency, and other laws of the Russian Federation and Yakutia.

Government Reshuffle in Sverdlovsk Oblast

MK0906100094 Moscow KOMMERSANT-DAILY in Russian 9 Jun 94 p 3

[Valeriya Ochinyan report: "Changes in Sverdlovsk Oblast Administration. Sverdlovsk Governor Gets Rid of 'Old Guard'"]

[Text] It has taken Sverdlovsk Oblast Governor Aleksey Strakhov five months to finally decide on a reshuffle in the administration. He announced the move in yesterday's sitting of the oblast government. Despite the many expectations, however, the fired officials were not the men of former governor Eduard Rossel, but rather members of the "old guard" who used to work in Sverdlovsk with Boris Yeltsin and Oleg Lobov.

The shakeout, the possibility of which Aleksey Strakhov warned about back in his first days as governor, has affected the positions of importance for the oblast: Having been relieved of their positions are Aleksandr Nebesnov, deputy administration head for transport and communications; Sergey Turunovskiy, administrator of affairs; Anatoliy Tarasov, head of the foreign economic relations administration; and Galina Ivanina, head of the organizational department. Incidentally, Mrs. Ivanina is the only "casualty" whose dismissal was explained by the administration's head himself; he accused her of "working for the Duma." The cause of Mr. Tarasov's dismissal is also clear, however, for he is being identified with the abuses by the oblast's special exporters of strategic raw materials who were recently exposed by a commission of the Control Administration under the president.

According to informed sources, so protracted a hiatus between Mr. Strakhov's appointment as governor and the start of the personnel "purges" is attributed to the difficulties of selecting personnel to fill key positions in the oblast. One can still suppose that the governor will not draw the line at parting with the mentioned officials, and the administration is in for new waves of dismissals. At the same time, observers think, the fired officials cannot be identified at all as "Rossel's people" because most of them had been working in the oblast [Communist Party] executive committee ever since Boris Yeltsin was secretary of the oblast committee, and Oleg Lobov chairman of the oblast executive committee. Experts

who predict Mr. Rossel's comeback as governor think Strakhov's reshuffle would stand any of his successors in good stead because discernible behind the current change is the desire to replace the old-style administrators with younger ones, capable of flexible methods of work.

New Government Structure in Komi Republic

LD0906082994 Moscow ITAR-TASS World Service in Russian 2154 GMT 8 Jun 94

[By ITAR-TASS correspondent Viktor Makarov]

[Text] Syktyvkar, 9 Jun—The Komi Government resigned en masse on Tuesday [7 June] as Yuriy Spiridonov has taken up the post of head of the Republic of Komi, which, under the new Constitution, is also head of the government. He will have five deputies and it is thought there will be 17 ministries, as well as the administration of the head of the Republic of Komi, working as a single body ensuring the operation of the government he heads.

At a session of the republic's Supreme Soviet, Spiridonov warned that in his government the number of civil servants would be cut back considerably, although the professionals would remain on the job.

A special parliament resolution passed on Wednesday made provision for appropriations for the material-technological and financial working of the head of the Republic of Komi, setting the salary for the post at 50 times the minimum monthly salary set by Russian legislation.

Russian National Unity Movement Formed in Komsomolsk

LD0906100594 Moscow ITAR-TASS in English 0720 GMT 9 Jun 94

[By ITAR-TASS correspondent Georgiy Kunilovskiy]

[Text] Komsomolsk on Amur June 9 TASS—The primary organisation of the Russian National Unity Movement formed in Komsomolsk on Amur distributes newspapers and leaflets. The organisation is in opposition to both democrats and communists. On matters of national policy it holds an even tougher stand than the Zhirinovskiy party. The movement's credo is "revival of the Russian nation".

Members of the local organisation of the Russian National Unity Movement strive to enlist support among workers, the military and youth. The movement has supporters among Cossacks and the local patriotic society RUS. The organisation's leaders have contacts with Moscow and receive from Moscow newspapers and booklets, specifically "The Russian Order", "Russian World", "Our Fatherland". These publications are blatantly nationalistic. The authorities of Komsomolsk on Amur try not to notice the new organisation that has not been registered officially.

International Affairs

DPRK Minister on Talks, Nuclear Weapons, Unification

LD0806212594 Moscow ITAR-TASS in English 2103 GMT 8 Jun 94

[Report by UKRINFORM correspondent Aleksey Trotsenko for TASS]

[Excerpts] Kiev 9 June TASS—Ukraine and North Korea signed a consular convention and several other inter-state agreements on Wednesday [8 June].

North Korean Foreign Minister Kim Yong-nam who is on an official visit in Ukraine and his Ukrainian counterpart Anatoliy Zlenko also signed a protocol on consultations between the Ukrainian and North Korean foreign ministries.

After the signing ceremony Kim Yong-nam met with journalists to answer their questions.

He said that his talks with Ukrainian President Leonid Kravchuk, Deputy Parliamentary Chairman Aleksandr Tkachenko and Foreign Minister Zlenko helped him understand better the processes going on in Ukraine.

Speaking about the nuclear problem, the minister stressed that it is "artificial. It was created by certain circles in the U.S. and IAEA (International Atomic Energy Agency) in order to strangle socialism in the country." "The nuclear crisis on the peninsular must be solved by the United States and North Korea through negotiations," he said. [passage omitted]

He emphasised that the peaceful settlement of the conflict will largely depend on the successful outcome of the talks with the United Nations and IAEA. He expressed regret that the first two rounds of talks did not bring the desired results and noted that North Korea pins hopes on the third round. [passage omitted]

Asked about what nuclear weapons North Korea could afford today, Kim Yong-nam replied that "we have no any nuclear weapons. Moreover, we have neither possibilities, nor equipment, nor funds to make them."

Speaking about prospects for reunification with South Korea, the minister said that only peaceful reunification is possible, without interference of other countries. The two countries should form a confederation, while preserving their systems and governments, he said.

Urges Solution To 'Nuclear Crisis'

LD0806192694 Moscow ITAR-TASS in English 1850 GMT 8 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 8 June TASS - "If sanctions are imposed on North Korea, its leadership will have to act adequately to the situation," North Korean Foreign Minister Kim Yong-nam said.

Speaking at a news conference in Kiev on Wednesday [8 June], Kim Yong-nam said that "we will choose the concrete form of self-defence when we know what measures the countries demanding 'punishment' for North Korea intend to take."

The minister stressed that the "nuclear problem is artificial. It was created by certain circles in the U.S. and IAEA (International Atomic Energy Agency) in order to strangle socialism in the country." "The nuclear crisis on the peninsular must be solved by the United States and North Korea through negotiations," he said.

"The participation of other countries is out of the question," he added.

Commenting on Russia's initiative to convene an international meeting on North Korea, Kim Yong-nam described it as "interesting," adding that "we are studying it."

The minister expressed the confidence that "the intention of the U.S. and IAEA to inspect nuclear reactors is closely connected with the opening up of the country's military facilities." He termed it as an "interference in the internal affairs of the state." "We are not against inspections, but only there where there are nuclear reactors," he added.

Speaking about Pyongyang's position, Kim Yong-nam said that "until the United States fulfills its obligations in full, North Korea will not join the Nuclear Non-Proliferation Treaty." "These obligations call for an end to hostile policy and nuclear threat to the state, and for preservation of peace and security on the peninsular, impartial policy and assistance in converting the reactors working on light water," he said.

"We are in such a position that we cannot trust the United States unless our conditions are met," the minister said.

Travels to Berlin, Bypasses Ashgabat

LD0906140794 Moscow ITAR-TASS World Service in Russian 1340 GMT 9 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 9 Jun—On completion of his official visit to the Ukraine, DPRK Foreign Minister Kim Yong-nam is leaving Kiev today at 1635 hours Kiev time (1735 Moscow time) for Berlin. His previously planned trip to Ashgabat is cancelled. The reasons ae not disclosed.

Vietnamese Prime Minister Arrives; Agreements To Be Signed

LD0806140494 Kiev UNIAN in Ukrainian 1150 GMT 8 Jun 94

[Text] Kiev [no date as received]—The prime minister of the Socialist Republic of Vietnam arrived in Ukraine today on an official visit.

UNIAN has learned from sources close to the Ministry of Foreign Affairs that the following documents will be signed during the visit: a consular convention, an agreement on cooperation in the sphere of culture, education, and science, and an agreement on protection of investments. A treaty on friendship and cooperation between the two countries will be initialled.

Ukraine and the Socialist Republic of Vietnam have so far signed an agreement on a Ukrainian-Vietnamese intergovernmental commission for trade, economic, scientific, and technical cooperation, a protocol on trade and economic cooperation in 1994, an agreement on visa-free entry of diplomatic and service passport holders, and an agreement on air transport.

The two countries have a long history of bilateral relations. Ukraine was involved in the development of Vietnam's chemical, petrochemical, and food industries, as well as machine-building.

During the visit, Vo Van Kiet will meet President of Ukraine Leonid Kravchuk, Acting Prime Minister Yukhym Zvyahilskyy, and officials at the Vietnamese Embassy in Ukraine.

Meets Deputy Parliament Speaker

LD0906104494 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 9 Jun 94

[Text] Vietnamese Prime Minister Vo Van Kiet continues his visit to Ukraine. This morning he met Oleksandr Tkachenko, first deputy chairman of Ukraine's Supreme Council. During the conversation, Tkachenko told Vo Van Kiet about the newly elected Supreme Council and its activities. They exchanged views on the future development of relations between the two countries. Also today the Vietnamese prime minister is planning to meet Ukrainian President Leonid Kravchuk. The high-ranking Vietnamese guest will visit the Kiev-Pechersk state historic and cultural preserve and Leninska Kuznya production association. He will also make a tour of the city.

Bilateral Agreements Signed

LD0806215194 Moscow ITAR-TASS in English 2048 GMT 8 Jun 94

[Report by UKRINFORM correspondent Yelena Kirichenko—TASS]

[Text] Kiev 9 June TASS—Ukrainian Foreign Minister Anatoliy Zlenko and visiting Vietnamese Foreign Minister Nguyen Manh Cam signed a package of bilateral agreements on Wednesday [8 June].

Among the documents signed are a consular convention between Ukraine and Vietnam, inter-governmental agreements on the protection of investments, and cultural, academic and scientific cooperation.

The sides also initialed the agreement on the principles of relations and cooperation between Ukraine and Vietnam.

Nguyen Manh Cam is accompanying Vietnamese Prime Minister Vo Van Kiet on his visit to Ukraine.

Earlier today, Vo Van Kiet said that "Vietnam is especially interested in developing cooperation with Ukraine, primarily in such important spheres as power engineering, transportation, chemical industry, light industry and other spheres."

During the talks with Acting Ukrainian Prime Minister Yefim Zvyahilskyy, Vo Van Kiet said that "the current status of bilateral economic relations between Ukraine and Vietnam does not correspond to their potential."

The Vietnamese premier stressed that "of special importance will be Ukraine's participation in the modernisation of plants in Vietnam which were built with Ukraine's assistance." He also called for establishing joint ventures.

Zvyahilskyy expressed the confidence that "the arrival of such big delegation, the talks which will take place and the planned signing of important bilateral documents will help expand and boost Ukrainian-Vietnamese cooperation."

Russian-Ukrainian Talks on Black Sea Fleet Continue in Kiev

LD0806131794 Moscow ITAR-TASS in English 1308 GMT 8 Jun 94

[Report by ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow 8 June TASS—According to information received from Russian naval sources, the main problem of the two-day negotiations between the Russian and Ukrainian delegations, which began today in Kiev, is to divide the bases and coastal infrastructure of the Black Sea Fleet.

The Russian delegation is led by roving Ambassador Yuriy Dubinin. He arrived in the Ukrainian capital together with Admiral Feliks Gromov, commander-in-chief of the Russian Navy. The admiral told ITAR-TASS on the eve of the trip, that the sides were able to switch over during their talks in Moscow and Sevastopol from verbal declarations to the concrete discussion of the difficult problem of drawing up a complete list of all the

warships and other surface craft, and deciding where the Black Sea Navy and the Ukrainian naval forces should be based. This work will be continued in Kiev. He noted that the parameters, according to which the warships should be divided between the two sides, were already been determined. Working parallel with military experts are economists and financiers, who are estimating the cost of the ships and of the fleet's infrastructure. Their conclusions will be submitted to the two delegations.

Gromov believes that both sides will table their own drafts during the negotiations. He does not rule out differences on individual matters, but believes that it is necessary to do everything to achieve mutual understanding.

Kravchuk Denies Possibility of Armed Clash With Russia

LD0806161394 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 8 Jun 94

[Text] Relations between Ukraine and Russia should be build on a long-term basis. The head of our state, Leonid Kravchuk, declared this in an interview for the Moscow-based newspaper TRUD. According to him, relations between the two countries should be sincere and those of partnership, truly friendly and equal. Leonid Kravchuk flatly denied a possibility of any military clash between Ukraine and Russia. He devoted a significant part of his interview to the Crimean issue. It was again emphasized that he comes out against any force methods of solving it.

Fleet Officers Oppose National Guard Presence in Sevastopol

LD0906022494 Kiev UNIAR in Ukrainian 2135 GMT 8 Jun 94

[Text] Sevastopol, 8 Jun—The coordinating council of the Black Sea Fleet officers' meeting assessed the emergence of a battalion of the National Guard of Ukraine in the city as an act of moral and psychological pressure against the people of Sevastopol. As was reported by Yuliya Syrotynska, a staff member of the public relations center at the Sevastopol Department of Internal Affairs, the National Guardsmen arrived in Sevastopol last week to help local militiamen maintain public order. The joint patrolling of the city streets allows better coverage of the areas to be patrolled.

In their letter, addressed to the chairman of the local administration, the leaders of the coordinating council of the Black Sea Fleet officers' meeting voiced their protest against the introduction of additional troops at a time when contradictions between the leadership of Crimea and the leadership of Ukraine are aggravated.

Kiev, Moscow Agree on Black Sea Fleet Ship Division

LD0906095394 Kiev UNIAN in Ukrainian 0830 GMT 9 Jun 94

[Text] Kiev, [no dateline as received]—During the division of the Black Sea Fleet, Ukraine can receive 18.3 percent of each class of ships, give or take 5 percent depending on the importance of a particular class of ships for Ukraine. This proposal satisfied both sides at the Ukrainian-Russian negotiations on the Black Sea Fleet on 8 June.

Experts on both sides also agreed on the division of warships. The list now has to be approved by members of Ukraine's and Russia's state delegations.

The talks on 9 June will concern the thorniest issue of dividing the coastal infrastructure. Russia proposes that the main base of the Russian part of the fleet should be Sevastopol. But the Ukrainian side proposes that the final document puts it in a different way: not "the main base of the Black Sea Fleet is the city of Sevastopol" but "the main base of the Black Sea Fleet is in the city of Sevastopol."

Commenting on the course of negotiations, Russia's ambassador to Ukraine Leonid Smolyakov said: "There are breakthroughs, and the talks are held in a balanced manner." Asked by UNIAN whether an agreement on the Black Sea Fleet could be signed before the presidential election in Ukraine, Leonid Smolyakov said no. In his opinion, "the problem of coexistence and interaction between two large military structures cannot be solved in a short space of time." According to the ambassador, "the problem of the Black Sea Fleet will continue to exist after 26 June."

Navy Disconnects Black Sea Fleet Navigation System

WS0906090194 Lvov POST-INFORM in Ukrainian 1000 GMT 7 Jun 94

[Text] On 2 June, the Ukrainian Navy Odessa Garrison, instructed by the Ukrainian Navy General Headquarters in Sevastopol, disconnected the Mars-75 navigation system, which had been ensuring safe navigation of the Black Sea Fleet vessels in waters near Odessa.

As Captain First Rank Dmytro Ukrayinets, Odessa senior maritime commander, explained, this step was taken in response to the Black Sea Fleet Command's refusal to cooperate with the Ukrainian Navy on various issues.

Henceforth, Russia will independently resolve problems of safe navigation in the Odessa zone of the Black Sea.

Envoy, Danish Defense Minister Discuss European Security

LD0806204894 Kiev UNIAR in Ukrainian 1500 GMT 8 Jun 94

[Text] Copenhagen, Denmark, 8 Jun—Ukrainian Ambassador to Denmark Konstantin Masik and Danish Defense Minister Hans Haekkerup met to address questions of security and stability in Europe and cooperation between Ukraine and Denmark within the framework of the "Partnership for Peace" program. Mr. Masik informed the defense minister of the situation in Crimea and the work of the Ukrainian and Russian delegations to settle the issue of the Black Sea Fleet. Mssrs Haekkerup and Masik exchanged views on the results of the work at the latest NATO session and the possibilities of that organization's expansion.

Kuchma Views U.S. Trip, Crisis, Issues

WS0806104194 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 2 Jun 94 p 3

[Report on interview with presidential candidate Leonid Kuchma by Valeriy Pavlenko; place and date not given: "What We Need Is Self-Confidence and Vigor..."]

[Text] Leonid Kuchma, chairman of the Ukrainian Union of Industrialists and Entrepreneurs [USPP], has a lot of business to handle. Having delivered a report at the sixth congress of the USPP, he set out on the road again. It was an overseas trip, but only for five days. However, he managed to do a lot during this trip. The list of U.S. high officials, with whom Kuchma met, is rather impressive. I would like to decipher this list by not only listing names, but also reporting on opinions, assessments, and proposals. Naturally, my first question was about this trip.

[Kuchma] I was invited to the United States by the International Fund for Democracy and Development, of which Nixon was honorary chairman until his death. My first talks were with P. Rosenblat, acting chairman of the Fund. Next, I met with U.S. Vice President A. Gore; E. Leica, U.S. presidential assistant for national security; and N. Burns, U.S. presidential special assistant for Eurasian affairs. Moreover, there were meetings with Deputy Secretary of Defense E. Carter and Deputy Secretary of Finance L. Summers.

There were also meetings with the presidents of international funds—M. Camdessus of the IMF and Z. Brzezinski of the Soros Foundation. The following must be taken into consideration. The secretary of finance was quite frank: If financial assistance continues to be pumped into accounts in foreign banks or sticks to hands of dodgers, no further aid to Ukraine will be planned. In his turn, Camdessus stated that he come to Ukraine to help with our reforms without delay if a strong executive power is launched along with a realistic program for overcoming economic crisis.

[Pavlenko] Apart from assistance, can we see any U.S. readiness to participate in Ukrainian economy on the basis of, say, new investments?

[Kuchma] There were such proposals. Here is an example. The president of the Onasisas [name as transliterated] Company, owner E. Kulukundis, is ready to invest large sums in the development of our freight fleet. However, a barrier in the way toward the implementation of this project is the lack of legislation guaranteeing investments and a clear system of mutual obligations. The contact with Ukrainian immigrants was also satisfying—the immigrants believe that the relations with Ukraine should be multilateral, in particular, on economic basis as well.

[Pavlenko] Have you discussed the well-known missile problems?

[Kuchma] This was the main topic of my conversation with U.S. Deputy Defense Secretary Carter. My opinion about this is clear: Ukraine alone is not able to deal with the entire complex of missile problems. Dismantling main parts is only the tip of the iceberg. In order to carry out the entire project, even according to modest estimates by U.S. experts, Ukraine needs no less than $3 billion, whereas only a tenth of this sum was allotted. Of course, Ukraine does not have such funds. Nor do we have the technology for using liquid and solid rocket fuel. I think that even U.S. assistance will not suffice here. We will apparently be forced to involve the entire world community. Otherwise, we will not avoid another large-scale environmental disaster. It is necessary to apportion the allotted funds taking into account not only the consultations by U.S. experts, but also the needs of Ukrainian enterprises.

[Pavlenko] Prevailing opinion holds that there are no people in Ukraine who are capable of working out and implementing an effective program for leading the economy out of the total collapse of production. Do you share this opinion?

[Kuchma] The extraordinary fourth congress of the USPP was convened due to no more than the acute aggravation of the social and economical situation in Ukraine. During the first quarter, industrial production decreased by one-third, while in machine building, light industry, and metallurgy—by 40-45 percent. Hundreds of enterprises were halted; over half of the total number work for only two-three days a week. Construction, transportation, and communication are in breaking down. Marketability of the agricultural sector—its grain complex—is under threat. Reduction of investments in all spheres of production is fraught with tragic consequences. The same can be said about the disintegration of science, education, medicine, and culture. A general indicator of the total disintegration can be seen in the crisis of payments and paralysis of financial system. Exports are dwindling, hard currency incoming is decreasing, whereas domestic and foreign debts of the state have arisen to an astronomical sum.

The living standard of the majority is well below the poverty line, while the wage guaranteed by the state in the amount of 60,000 karbovanetses, equivalent to slightly over $1, is simply cynical mockery. Logic dictates that the government, beginning 1 January, should have increased the minimum wage and pensions by at least three or four times. At the same time, corruption, embezzlement of public funds, violence, bribery, and robbery have become mass plagues. Central and local state authorities only pretend that they are fighting this common evil.

I am sure that the main reason for this tragedy is the inability of current ruling structures to work out and implement a realistic policy in social and economic sphere. Instead of clear objectives and mechanisms for their achievement, we have slogans about market economy, reforms, privatization, farming, and destatization. In reality, robbing the country and transferring its wealth abroad by various operators continues. Official actions are not systematic or adequate to the needs of today's situation in the economy and community in general. Everywhere there are a flood of command administration methods in management and a swelling management apparatus with a low level of professionalism. Moreover, the central authorities are trying to evade responsibility by loading it on the shoulders of regions and producers.

Possibly, I am too harsh, but you know—it boils not only within me alone...

[Pavlenko] However, you did not mention ways out of the crisis...

[Kuchma] During the last six months alone, the USPP, the Ukrainian Union of Independent Entrepreneurs, and other organizations, national as well as regional, which represent various forms of ownership, repeatedly proposed to the president and Cabinet of Ministers packets of measures regarding this question. There were among others: changes in hard currency regulations, taxation, and external economic relations as well as the determination of the priority of these relations; issues of utilizing working capital, repaying mutual indebtedness, restoring ties with CIS countries on a qualitatively new basis; revision of the scope of ministries and departments with the purpose of broadening the prerogatives of enterprises; introduction of state contracts; and many other measures. However, there was only silence. And they do not even try to take some measures by themselves...

[Pavlenko] By the way, how are your relations with the present Cabinet of Ministers and its head?

[Kuchma] I will answer by citing a passage from the resolution of the USPP sixth congress: "To declare that the activities of the government and its Acting Prime Minister Zvyahilskyy caused extremely negative consequences, deepened chaos and economic ruin, and aggravated tension in the community, what can bring unforeseen consequences..."

[Pavlenko] While prime minister, you made a threatening statement that was addressed to those structures mired in corruption.

[Kuchma] In my time as prime minister, the Cabinet of Ministers prepared materials for 1,500 cases, which were later submitted to the General Prosecutor's Office. However, they have not been instigated. Just as it was with the Black Sea Steamship Company managers—our commission worked out and prepared a document and submitted it to the former Supreme Council, but the Steamship Company manager was a people's deputy. And for what? The document got stuck somewhere in the corridors of the former legislative power.

[Pavlenko] How do you see the present geopolitical and internal situation of Ukraine from the perspective of the cochairman of the Interregional Bloc of Reforms [MBR]? What are the tasks of the Bloc?

[Kuchma] The MBR unites pragmatic people that are apparently distant from politics. Yet even they have understood that unless a political course for Ukraine is formulated today, that is, unless new and, above all, cardinal resolutions are adopted, it will be impossible to implement any economic reforms or programs. In essence, Ukraine's economy has become hostage to politics. What we see is geopolitical bankruptcy with national romanticism as the pivot of the entire political course. The lack of pragmatism in the approaches to geopolitics, an erroneous estimate of geopolitical scenarios, and a bolshevist desire to raze everything and start anew, have led to a situation in which Ukraine has become virtually an international castaway.

In our internal policy, for all practical purposes, we have anarchy; we see an incompatibility of interests of ruling central bureaucracy and regions. The creation of an equalitarian system for every region without taking into account their characteristics and contribution to the national economy objectively provokes the development of separatist tendencies aimed at the disintegration of Ukraine.

I also think it inadmissible if the June elections fail or be rescheduled—due to strategic reasons, first of all. World practice shows that overcoming a crisis is possible only by having a rigid and consolidated executive power headed by the president who possesses the highest level of legitimacy. The president should be a pragmatic man who is supported by the majority and who is capable of opposing any influence from various groups and lobbies.

[Pavlenko] Your presidential candidacy is supported by the USPP. Do you think that your chances are higher than those of your rivals?

[Kuchma] All rivals are worthy opponents; every one of them is good in his own way. Therefore, I do not overestimate my own chances.

[Pavlenko] Is it prudent to hold presidential elections simultaneously with local ones?

[Kuchma] I am against the simultaneous elections. If this happens, then we will elect absolutely independent presidents for 48,000 settlements, 560 rayons, and 24 oblasts. Ukraine, as a state, will cease to be. If hamlets become sovereign, then how will the president govern the state? Unfortunately, it is too late to change the situation—the elections must be held.

[Pavlenko] As a journalist, I have been working in Kharkiv Rayon for a long time. I can say that the people there treat you ambiguously. You impressed the working collectives when you were prime minister. However, managers' corps does not support you fully. Here is one of the objections: You call for friendship and cooperation with Russia, but you do not back it with concrete steps. This is not a general opinion, but it exists...

[Kuchma] Let my colleagues, the managers, strain their memory and remember that it was in Kharkiv that I signed a package of documents on customs cooperation at the meeting of representatives of 10 oblasts on the borders of Russia and Ukraine in June 1993. And who signed the declaration on the creation of economic union? And who proposed to lease the Black Sea Fleet and to pay the earned money for energy resources in order to get a respite for structural rebuilding? I will say also this. Today, Ukraine alone is not able to stabilize its economy, regulate finances, and invigorate investments even partially. I have said it many times and I repeat: Nobody can survive on his own. Neither Russia nor Kazakhstan nor Belarus. This has already been realized by the Balts, too. Only people in Ukraine seem to be incapable of realizing this in any way. We propose the creation of a mechanism of mutual assistance and mutual support with all the CIS countries and, in the first place, with Russia; we propose to attain common geopolitical and economic interests with our joint efforts. I emphasize: This step is expected by all the CIS countries.

Nikolay Ogarev, Hertsen's friend, said once: "What We Need is Self-Assurance and Vigor, While Despair Leads to Idleness." These are the very qualities—self-assurance and vigor—which we need so badly now! Away with despair!

[Pavlenko] Would you say a few words about yourself? Your biography is not widely known, because until recently you have not belonged to the people who were much discussed.

[Kuchma] I was born in the village Chaykyno, Novgorod-Siverskiy Rayon, Chernigov Oblast in 1928. I am Ukrainian. My father died defending Leningrad, my mother worked on a collective farm all her life and died several years ago. My elder brother was a drift miner who died at the age of 56 of silicosis, a professional disease. My sister who also worked in a mine, died at the age of 48.

I conclude my report on the meeting with Leonid Kuchma, a candidate for the high post of Ukrainian presidency, with a few brief notes from my notebook. After graduation from Dnipropetrovsk University, Kuchma worked for 32 years at the world's largest rocket complex (the Pivdenne design office and the Pivdennyy Mashzavod production amalgamation), moving through all the production stages—from a designer to the general director of the Pivdenmash production company. By the way, in the spring of 1966, at the age of 28, he became the youngest technical supervisor of tests at the Baykonyr launching site in the whole history of rocket production of the former USSR. His was lucky—he worked with such legendary creators of space technology as Yangel, Glushko, Utkin, Pilyugin, and Sergeyev. Kuchma is a Lenin prize winner for the creation of space technology.

He is married. His wife, Lyudmila Mykolayivna, an engineer, retired after 30 years of work at the Pivdenne design office. His daughter Olena, an economist, is 24 years old. His grandson, Roman, is three years old. His daughter and son-in-law live and work in Simferopol. Kuchma is very fond of ballads and likes to sing accompanying himself on the guitar.

These are only general features. A full portrait will be painted by the election campaign, by life itself.

National Affairs

Nationalists Reportedly Prepare for Action in Crimea

LD0806122694 Moscow ITAR-TASS in English 1040 GMT 8 Jun 94

[Report by ITAR-TASS analyst Vladimir Gondusov]

[Text] Moscow 8 June TASS—While Russian, Ukrainian and Crimean politicians are busy debating the fate of the Crimean peninsula and of the Black Sea Fleet based there, Ukrainian nationalists are acting to destabilise the situation in the region.

Groups of volunteers from the Ukrainian National Assembly (UNA- UNSO) [Ukrainian National Self-Defense] are reportedly getting ready for a massive landing in the Crimea on 17 June, causing alarm not only in the Crimean capital of Simferopol but also in Ukraine's Kiev.

Assistant to the president of the Republic of Crimea Aleksey Baksheyev said the threats of Ukrainian nationalists are quite substantial. He told ITAR-TASS that he did not rule out the possibility that some of the groups had already penetrated the peninsula and added that he has information about the possible activity of the nationalists among the population.

Aleksey Baksheyev's information about the possible acts of provocation in the Crimea is confirmed by the press centre of the Black Sea Fleet. The centre on Wednesday circulated information about forming a volunteer group for "an active recreation" in the Crimea by the nationalist forces in Lvov. The volunteers intend to "propagate the ideas of Ukrainian statehood and nationalism in the

peninsula." Tens of self-styled "propagandists" will be accommodated in the recreation centres around Alushta. They travel to the peninsula with vouchers worth 2.5 million karbovanets, 90 percent of the price being paid by the UNA-UNSO organisation.

The UNA-UNSO volunteers include many people with warfare experience acquired in the flashpoints of the Commonwealth, including Transdniestria. As concerns their motives, they said it was primarily the desire "to protect the interests of the Ukrainians residing in the Crimea."

Sources in the Crimea said that Lvov nationalists are the most active in choosing the Crimea for "summer vacationing". But groups of nationalists are being formed also in other regions of Ukraine. Their advance guards are already in the peninsula, where they arrived in pairs or individually in order to avoid provoking suspicions. Their task is to reconnoiter and prepare for the arrival of the main force.

Deputies of the Ukrainian and Crimean parliaments told ITAR-TASS that they were against such moves. In their view, against the background of positive developments in the negotiating process involving Moscow, Kiev and Simferopol, nationalist activity can only build up more tension but is unable to exert any positive influence on the situation.

Crimean President Said Needing Extra Powers for Reforms

LD0806210594 Moscow INTERFAX in English 1805 GMT 8 Jun 94

[Text] In an INTERFAX interview today Vladimir Karpov, aide to Crimean President Yuriy Meshkov, said that Meshkov must be granted extra powers to carry out economic reforms and that the president has no time to push laws through parliamentary commissions.

Last week Meshkov called on members of parliament to adopt a law giving legal authority to presidential decrees on matters, which are not currently subject to Crimean legislation.

Karpov said that at the talks between Kiev and Simferopol, at which he was a participant, the Ukrainian side was very well prepared while the Crimean delegates were not sufficiently qualified. For this reason the leadership had decided to change the composition of the delegation to include experienced lawyers and economists.

Karpov said that the Ukrainian delegation had begun by looking for a purely political solution to the problem. However, at the insistence of the Crimean side, both political and economic aspects had been considered. He added that the Crimean side had suggested concluding a treaty on the basis of that which exists between Russia and Tatarstan.

Karpov said that this would cause problems relating to the Ukrainian constitution, which maintains Ukraine is a unitary state, unlike Russia which is a federation.

He added that during the discussions both sides had agreed that there was a need to make changes to both the Crimean and Ukrainian constitutions.

Asked what changes they had in mind, Karpov said that Crimea needed more political and economic powers. If this happened, he said, the Crimean experience of economic reforms would be transferred to the whole of Ukraine.

"We do not want to be burden for Kiev, we can and we want to earn our own money," Karpov said.

On the question of the Black Sea Fleet Karpov said that the fleet "is a Russia fleet on Crimean territory. For this reason it should pay rent. It should be based at Sevastopol and the Ukrainian Navy should be based outside Crimea in Odessa and Nikolaevo."

Crimean Economics Minister on Relations With Ukraine

LD0806151994 Moscow Radio Rossii Network in Russian 0945 GMT 8 Jun 94

[Studio interview with Crimean Economics Minister Andrey Chernyavskiy by announcer Igor Gavrilov in Moscow on 8 June; first in a series of features on Crimea entitled "The Last Frame"—recorded]

[Text] [Chernyavskiy] When in February we came for our first acquaintance with Crimea, with Simferopol, we were taken aback by the Crimean people's exceptionally poor standard of living, although this is apparently the same for all of Ukraine. The Crimean economy has been drawn into the general economic crisis that has gripped all the former CIS countries, but this crisis is particularly dramatic in Russia and Ukraine. Inflation is galloping ahead in Ukraine; it is a particular feature of the Ukrainian economy, a particular feature of its leadership because of specific stances taken by the leaders and senior officials in the Council of Ministers and the bank, the people who make these kinds of decisions.

Last year, as you know, the Russian ruble depreciated to one-tenth of its value and the karbovanets to one-hundredth of its value. When you have this kind of depreciation of the currency, you get a very rapid drop in the standard of living for workers in the public sector, first and foremost, and the pensioners. Social tension increases sharply. The incomes of Crimean people have diverged from, and not overtaken, those of their neighbors across the Kerch strait, from Krasnodar Kray. All of this has given rise to great discontent with Crimea being part of Ukraine, to calls for Crimea to join the ruble zone and so on.

Analysis of the situation of Crimea demonstrates, moreover, that Crimean industry and agriculture were set up

first and foremost to trade with Russia and Crimean industrial enterprises. Crimea has a lot of top-class enterprises that received large sums of capital investment even in the stagnation years and are now lying idle. These enterprises were oriented towards trading with Russia and obtaining materials from Russia. As economics minister, I have already had several trips to Kiev for consultations with the leadership of Ukraine on the reforms in Crimea. It is clear to us that any steps we might take can only be done with the good will of Ukraine. Moreover, certain steps were very well received by Ukraine, not well in the sense that somebody approved these steps in themselves, but in the sense that there was a view that these kinds of things needed to be done in Ukraine—in particular, currency regulation. The fixed rate of the karbovanets is a colossal obstacle to getting Ukraine out of crisis. And now, as far as I know, Ukraine itself has made a decision to move to a floating exchange rate.

Crimea is a unique region in terms of its natural resources and its geographic situation, and we certainly need bolder economic solutions for Crimea, in my view.

[Gavrilov] That means you're saying there could be a free economic zone set up here, like many that have been set up. I believe such proposals have, in outline, been made?

[Chernyavskiy] Yes, we have come across such projects. You couldn't really make the whole of Crimea a free economic zone, because these zones are set up in areas where there are open spaces away from the inhabitants. Well, Crimea has developed industry and developed agriculture cooperatives actively with Ukraine and we are therefore not looking to set up a free economic zone. We are talking about the possiblity of implementing economic reforms more rapidly than Ukraine in the areas of currency regulation, of having a more active program of attracting foreign capital into Crimea. Many investors say they would put money into Crimea, but the stability question wipes out their intentions.

Crimea and Ukraine have a difficult relationship on the question of allocating central credit resources to Crimea. One could generalize and say credit allocation in Ukraine is not quite normal and is reminiscent of Russia at the start of 1992. All in all, everything in Ukraine reminds me of our Russian history of two or three years ago. However, in the area of finance and credit, Russia has made tangible steps forward in those years and has to some extent succeeded in setting up and stabilizing a new finance and credit system. I see that in Russia now there is no great difference between the Central Bank of Russia bank rate and that of commercial lending rates. In Ukraine there is this difference.

[Gavrilov] A lot of people are now talking about the Saburov team, Saburov's Moscow team, and you're a full member of that team. Can you tell me, please, what this team is? Is it people who just happen to be there or are they all people of like mind who knew each other before?

[Chernyavskiy] This idea arose because President Yuriy Meshkov invited Saburov in effect to be prime minister of Crimea, and Saburov then decided to invite in several people from Moscow to be able to implement a certain agreed policy.

[Gavrilov] Do you notice the effect that people say that Moscow invaders are coming in to get Crimea's economy to pick up? One hears rejoinders that "they" have lived in Moscow with their offices of economists and academics.

[Chernyavskiy] Professionally, I don't personally believe anybody is pushing me in Crimea, and it has always been the case that there have been a lot of people in the natural sciences coming here. If you're talking about economic centers, economic institutions, one's own economic school, there is none of that in Crimea.

[Gavrilov] Tell me, is it going to be hard for you and your Moscow friends to come here and work?

[Chernyavskiy] Yes, of course, it has been quite a drastic step and, of course, it is very difficult work. Moreover, we have taken a very big drop in income because officials are poorly paid in Crimea by Russian standards. For the time being I still see my mission in Crimea as interesting.

[Gavrilov] You won't run away?

[Chernyavskiy] That's a good question. When we came to Crimea in February, I and probably all members of the team started to look at Crimean problems from the standpoint of Crimea and... [broadcast of interview ends]

[Gavrilov] That was Crimean Economics Minister Andrey Chernyavskiy.

Crimea Economic Decline Detailed

944K1381A Simferopol KRYMSKAYA PRAVDA in Russian 4 June 94 p 1

[Article by I. Dyakov: "The Sad Signs of Crisis"]

[Text] It is usually said: "dry figures." On the other hand, they are objective. In this respect, no verbal description can compete with them. As they say, you cannot add or take away anything. So of course it is interesting to see how the year 1993 looks against the backdrop of the previous one.

The numeric picture of both years is painted in the short report by the Crimean State Committee on Statistics. As one should have expected, many data indicate the deepening of the socioeconomic crisis in our republic.

First, the demographic data. As of 1 January of this year, the population of Simferopol numbered 356,200, Sevastopol—374,400, Kerch—181,500, and Yevpatoriya—115,000. The urban population comprised 68.3 percent, and rural—31.7 percent of the total. Men comprised 46.7 percent, and women—53.3 percent.

In 1992, the number of births was 28,400; last year—25,700; the number of deaths—29,800 and 32,600, respectively. Infant mortality increased. Blue- and white-collar workers numbered 853,700 and 803,600 respectively; 100,500 and 95,200 persons worked on collective farms.

Industry decreased the output of most categories of products. The per capita output by year amounted to: electric power—327 and 242 kW/hr; oil (including gas condensate)—7 and 5.8 kg; natural gas—188 and 187 cubic meters; iron ore—3.8 and 0 kg; mineral fertilizer—21.6 and 12.4 kg; sulfuric acid—95.6 and 91.1 kg; cement—173 and 147 kg; meat—33.1 and 23.7 kg; butter—4.8 and 4.5 kg; whole milk products (recalculated as milk)—94.5 and 76.1 kg; canned food—240.2 and 204 standard cans; bread and bakery products—107.9 and 103 kg.

The situation in agriculture was grave. It was characterized by shortages of fodder for public animal husbandry, as well as fuels and lubricants, and price disproportions. The yield of grain over the last two years amounted to 32.9 and 27.3 quintals per hectare, respectively; corn for grain—37.5 and 30.6 quintals; potatoes—137.5 and 138.6 quintals; and vegetables—143 and 132.9 quintals.

The livestock herd is declining. Horned cattle numbered, 782,700 and 730,700 heads, respectively, , including cows—253,800 and 248,300. Swine numbered 427,800 and 370,000; sheep and goats 1,007,600 and 995,600; and horses 13,400 and 13,600.

Production of agricultural output per capita of rural population amounted to 700.5 and 565.2 kg of grain, 140.4 and 161 kg of potatoes, 56.1 and 48.8 kg of meat, 270.1 and 257.1 kg of milk, and 362 and 319 units of eggs.

The average wages of blue- and white-collar workers in the national economy amounted, respectively, to 5,690 and 131,503 karbovantsy, and those of kolkhoz members—3,735 and 82,170 karbovantsy. Of course, it is hard to judge the well-being of the population by these indicators, because the purchasing capacity of money is not the same—it declines quickly. In any case, last year prices grew faster than wages.

The State Committee on Statistics also provided us with figures on the average income level of workers in the national economy in April of the current year. It amounted to 879,200 karbovantsy. The average wages in banking was 3,147,132 karbovantsy; in air transportation—1,449,935; in construction—1,311,944, agriculture—470,542, and industry—975,601. As compared to March, the average wages in April increased by 6.6 percent.

Report Indicates Progress in Talks on Crimea, Fleet

AU0906084694 Kiev MOLOD UKRAYINY in Ukrainian 7 Jun 94 p 1

[Unattributed report: "The Negotiations Are Over. The Negotiations Are Ahead"]

[Text] When the meeting between the delegations of the Crimean and Ukrainian Supreme Councils started, observers were convinced that representatives of the Crimean Parliament were fundamentally not ready to cooperate. According to one of the members of the Ukrainian delegation, the Crimeans saw nothing but military stratagem in all proposals on the part of the Kievans. This is not surprising though, since, among the participants in the negotiations on the Crimean side, only N. Bekyrov, a member of the Majlis, was not a military man, while the rest were colonels and lieutenant colonels, both in the active army service and retired. Notwithstanding that, following lengthy and difficult discussions that ended late in the evening on 3 June, the Kiev and Simferopol leaders reached an agreement and adopted a summing up document in which the sides "reached an understanding of the fact that the Constitution of the Crimean Republic adopted on 6 May 1992 contains some clauses, which do not conform to Ukrainian legislation, in particular, on the definition of the status of the Crimean Republic as an autonomous constituent part of Ukraine." In order to resolve the constitutional and legislative collision that had taken shape, the delegations favored the creation of a joint working group, which would, by 15 June, "advance proposals for coordinating the Constitution and legislation of the Crimean Republic with the Ukrainian Constitution." Both delegations appealed to President L. Kravchuk and called upon him not to introduce, until 15 June, the mechanism provided for by the corresponding Ukraine's Supreme Council decree and to Crimean President Yu. Meshkov and the local parliament not to take measures that might disrupt interaction between the state power bodies of Ukraine and the Crimea.

Just like in Simferopol, the negotiations in Sevastopol were also difficult. Russian and Ukrainian groups of experts on the Black Sea Fleet met there. However, certain progress was achieved there, too. According to Commander of Ukraine's Naval Forces Vice Admiral Volodymyr Bezkorovaynyy, experts managed to specify the list of the Black Sea Fleet ships and vessels that will be allocated to each side after the division, even though the Russian representatives insisted that those ships and vessels that were given to Ukraine in 1991 as sailing means for military schools and had never been a part of the Black Sea Fleet be included in the general list. However, this problem could also be settled. The negotiations on the problems of dividing the Black Sea Fleet will continue at a higher level in Kiev on 8-9 June.

Crimea Ordered To Stop Sending Black Sea Conscripts

LD0906120694 Moscow INTERFAX in English 1039 GMT 9 Jun 94

[Text] Kiev ordered that the Crimean Military Commissariat stop sending Crimean conscripts to Sevastopol to perform their military service in the Black Sea Fleet, INTERFAX was told by an anonymous spokesman for the Crimean Military Commissariat in Simferopol.

He said that in 1994 the Crimea was to send 236 conscripts to the Black Sea Fleet. As of 1 June the Crimea sent 126 conscripts.

The spokesman said that some of the conscripts from Crimea were sent to central and western parts of Ukraine.

On 20 May, the Crimean parliament took a decision according to which the Crimean Military Commissariat was ordered that the inhabitants of the Crimea undergo military service mainly on the peninsula.

At the same parliament session, the Crimean Military Commissar said that the Black Sea Fleet will not be able to accept all conscripts.

Commenting on the statement in an interview to INTERFAX, the head of the section responsible for the strength of the Black Sea Fleet said that the fleet is able to accept all men conscripted from the territory of the Crimea.

Guards Battalion Transferred to Sevastopol From Simferopol

LD0806142194 Moscow INTERFAX in English 1358 GMT 8 Jun 94

[Text] A battalion of 350 Ukrainian guards has been transferred to Sevastopol from Simferopol in line with a decree issued by President Kravchuk in November of 1991. The National Guards Commander in Crimea Aleksandr Kostyukov explained the redeployment by the fact that an army compound has become vacant for the unit in the outskirts of Sevastopol. The armed guards have armored vehicles at their disposal. Their main task, in Kostyukov's words is to defend the Ukrainian constitutional system, its integrity and frontiers and to maintain public order. He stressed that there were no separate assignments for the battalion in Sevastopol.

Meanwhile, the Coordinating Council of Black Sea Naval Officers has sent to the Ukrainian president's ambassador in Sevastopol a letter, asking him on what legal grounds the battalion was brought into the city and for how long it would stay in the port.

Kostyukov also reported that there currently is a regiment of over 1000 guards in Crimea's capital Simferopol.

Kravchuk, Senior Military Officers Hold Meeting 8 Jun

LD0806183294 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 8 Jun 94

[Text] Ukraine President Kravchuk held a closed door meeting today with senior military commanders. They discussed questions of strengthening the Republic's defense capacity and ensuring that the army is not involved in political squabbles, an ITAR-TASS correspondent reported from Kiev.

Army To Be Equipped With High-Precision Weapons

LD0906121794 Moscow INTERFAX in English 1039 GMT 9 Jun 94

[Text] Ukrainian President Leonid Kravchuk stated that following the withdrawal of nuclear weapons, the Ukrainian army will be equipped with high-precision weapons, which are not weapons of mass destruction.

He told the cadets of the Zhitomir military school that Ukraine, Russia, the U.S. and other countries were working on this type of weapon.

The acquisition of high-precision weapons is provided for in the Ukrainian military doctrine, approved by the Ukrainian parliament in November 1993.

Kuchma Rejects Political Union With Russia

LD0806162594 Kiev UNIAN in Ukrainian 1520 GMT 8 Jun 94

[Text] Ternopol [no dateline as received]—Meeting the local electorate on 7 June, Leonid Kuchma, presidential candidate and leader of the Ukrainian Union of Industrialists and Entrepreneurs, was accused of looking to "the Northern neighbor" and trying to "pull Ukraine back into Moscow's bondage." The candidate replied: "I have never, not even in my sleep, ever said anywhere to anyone anything about a political union with Russia. As for economic ties, ask people on the shop floor, would they reject that?"

Meanwhile, Kuchma said he opposed Ukraine's accession to the ruble zone: "This would lead to loss of sovereignty." He spoke in favor of strong authority which world practice had proven to be the only force capable of implementing economic reforms. "Only one person should take the responsibility," he added. "That's why if I win I will initially act as prime minister as well as perform full presidential duties."

Moroz 31 May Supreme Council Address

WS0806144594 Kiev HOLOS UKRAYINY in Ukrainian 4 Jun 94 p 3

[Speech by Ukrainian Supreme Council Chairman O. Moroz at the Supreme Council Session on 31 May 1994]

[Text] Esteemed deputies. We have completed an extremely difficult and unspectacular portion of deputy functions—the forming of the Supreme Council's working bodies. They have for the most part been formed and their heads elected.

Despite all the hardships that we endured in the recent days we have managed to take a step toward a totally different democratic structuring of the Supreme Council that accounts for the actual multiparty nature of society's political sphere. We have laid the foundation for the Supreme Council's steadiness, which gives hope that deputies will have no time for political feuds. On the one hand, the makeup of the commissions does not allow for deviating toward conflicts. On the other hand, the burden of responsibility for the performance of official duties and the observance of commitments for the electorate will demand accord and compromises at all the stages of the lawmaking process.

Of course there is hardly a deputy in the session hall who would like the entire presidium. This is good, for it is a confirmation of the high potential of the session hall, a reserve of this potential. This does not close the road toward the improvement of the council's working bodies.

In recent days, after we made a mistake at the beginning, we realized the importance of the procedure. Had we spent three days discussing the regulations, this would have saved us two weeks.

I believe that now hardly anyone has doubts regarding the necessity to discuss regulations so that once a quality draft is prepared by the commissions, we pass it approximately within a month, and never resume the tactics of political battles in which there can be no winner.

On what should we concentrate our efforts in the near future? I repeat, do not consider this lingering. A wise start is a guarantee of a successful finish.

First, we have to complete the manning of commissions soon, as stipulated by the temporary regulations that we passed and the statute of groups and factions. We must select specialists among commission members for the division of functions within the commissions and the forming of their bodies. No one should be afraid of a situation where a commission comprises only one specialist, for you have the right to engage specialists who are not deputies. The main issue is to make good use of their knowledge, patriotic feelings, and healthy ambitions. I think that the Supreme Council leadership will provide the best material and technical conditions.

Second, all the commissions should meticulously plan their work and envision in their plans urgent, long-range, and perspective goals. This should be done approximately in a week—drafts approved in the commissions, and, by means of the secretariat, passed over to one of the legal commissions for generalizing and forming a kind of genealogy of the legislative process, approval by the presidium, the coordinating council, and the session. I believe it appropriate to entrust one of the deputy chairmen with organizing this work and exercising control over it.

Third, urgent tasks should be regarded as supplements to the already determined issues and placed on each deputy's desk by next Tuesday's session.

A large group of urgent issues is comprised of laws that regulate economic relations. It would take much time to simply enumerate these. We should unblock production and create normal conditions for the functioning of enterprises through taxes, credits, investments, and currency regulations. We must protect the people from further growth of prices, the threat of mass unemployment, the decline in wages, unavailability of goods and transport, impossibility of providing for their own and their children's summer vacations.

Complex problems arise with regard to preparation for harvesting and quite soon for the winter as well.

However if we turn into a "fire brigade" again, then, despite all attempts to professionally resolve emerging problems, our efficiency will be minimal, because we will face unresolved strategic problems every time. I will take the liberty of reminding you that in accordance with Clause 6 of Article 97 of the Ukrainian Constitution, it lies within our jurisdiction, the jurisdiction of the Ukrainian Supreme Council to determine the principles of state regulation and social development in Ukraine.

This is currently our primary and most important task. Only under the condition of this issue's positive resolution can we hope to stimulate the deputies' productive work, clear the existing legislative field, and create a solid footing for stabilizing Ukraine's economy and launching actual reform. Only a complex of well-planned, purposeful, interrelated measures will facilitate a civilized resolution of the most acute problems in our lives—resume the work of our enterprises, simultaneously stimulating their structural and technological reshaping; put tax and credit policies in order and free entrepreneurs, mediators, and banks from the criminal environment; improve our currency regulations and encourage an increase in the state's export potential; put in order imports; support the creation of a reliable monetary-financial system, without which there can be no market reform of which to speak.

Then we will be able to meet all other demands of our electors—index all their savings (we will have to pass an appropriate law prior to this); provide for people's large-scale participation in privatization; fix low prices for textbooks designated for schools and higher educational institutions, as well as for children's nutrition at kindergartens, summer camps, sanatoria, and schools; and finally, reimburse expenditures on burying the dead. These and a number of other burning social measures must be taken this year. We should expeditiously prepare a legal footing for this.

We are going to take these steps not for the sake of populism, not to put a new patch on an old one. We are going to target our reform toward a social orientation, make it inevitable, all-encompassing and able to serve the interests of the people of Ukraine.

This goal was set for the people drafting "The Basic Principles of the State Regulation of Ukraine's Economic and Social Development." Several groups of scientists, economists, and managers have intensively worked on this document over the last couple of months. The work is to be completed this week and it would be good if the document could be passed to the Supreme Council next week. Other options should also be discussed. I know how the groups of deputies, represented in this hall, worked; I am more or less familiar with their work, and believe that it is very interesting and useful. We should also hear a report on the results of their work. These results may help coordinate various aspects of understanding certain issues. They may also be regarded as alternative plans. We should submit to indepth analysis the long- range plans regarding the activities of the Cabinet of Ministers. Those plans exist and they are quite interesting. I had a talk with the acting prime minister yesterday; he is ready to submit those proposals (drafted earlier) for discussion by the Supreme Council.

It will be logical to form the new government and elect the new prime minister following adoption of this document. However this is not connected with presidential elections and thus, there is neither the need nor the time for a delay. After we have realized and adopted strategic directions that correspond to the Ukrainian people's system of values (given that the people have empowered us to protect their interests), we will choose a prime minister to implement this course, and approve his candidacy here at the session.

Through the prism of this strategy we will assess the government's program and our numerous laws—both the existing ones and those that will be drafted. Such conscious constructive work by the Supreme Council will indubitably produce positive results and will be properly assessed by the people of Ukraine.

We, both participants and observers, should quietly respond to all kinds of feuds within the Supreme Council. We should not stray from the painstaking creative work; we will later sort things out among ourselves. The Supreme Council must not be discredited; incidentally, such discredit amounts to paying bad service to President Kravchuk. Those who fail to understand this are actually blocking vital reforms, encouraging the continuation of the looting and selling of our state, the impoverishment of a majority of people and the strengthening of the existing parasitic groups.

I am convinced that a majority of deputies will support the proposals regarding the organization of such work in commissions, constituencies, and at plenary sessions.

From a perspective of strategic tasks we should consider a number of national programs toward which foreign investors have displayed interest. Supreme Council commissions should acquaint themselves with these programs and determine their role in speeding up the implementation of the latter.

Among the entire range of these issues I would single out two groups that warrant special attention.

One of them is the coordination of the acting laws to facilitate their normal functioning. For instance, a series of laws on enterprises and entrepreneurship have been distorted by sublaws, norms, and departmental instructions. The same concerns laws on land relationship, lease, privatization, freedom of thought, and especially laws on local administration and the forming of vertical structures in the administrative branch. The budget issue also belongs here and cannot be postponed any further. We are completing the second quarter of 1994 without an approved budget.

Fourth, we will not be able to avoid resolving urgent current tasks, which will partially ruin the legislative system. I mean issues like the Crimea, preparations for the elections, and the formation of the Cabinet of Ministers. Thus those are the issues that will have to be discussed simultaneously.

Fifth, we should step up control activities of the Supreme Council's working bodies, demanding that the provisions of laws and resolutions be unconditionally observed.

I know that this stance is different from that of some deputies. This has been said on television and discussed here in the session hall. However no group of 10 deputies, even comprising the best lawyers, will be able to provide control over the efficiency of certain laws. This can be done solely by all the deputies working in the commissions, and performing a control function to the extent envisioned for the given commission. For special cases we can set up deputies' groups on a different basis. Everybody will then understand that one should not only draft laws but also control their observance.

I repeat once again—this is every commission's business, however, general coordination and analysis of this work should be supervised, I presume, by [Deputy Chairman] Oleksandr Tkachenko. At the initial stage we should analyze how the privatization program, passed by the Supreme Council, was being implemented after its adoption and has been implemented in 1994. This is the basic issue of reform and that is why the general outcome of privatization, in particular the leasing of property, would be interesting to both the Supreme Council, as the owner of national wealth, and to every citizen. We should also receive precise information regarding the use of money acquired through privatization, the privatization of partially constructed facilities (as compared to the general volume of privatization), and determine the state's profits.

I believe that discussion of this issue in a month or so would facilitate the specification of the program and the mechanism for such change in ownership relations.

The Commission for Deputy Ethics, along with the Administrative Office and the secretariat should help establish the normal work of bodies and individual deputies in Kiev and in the constituencies. Completion of the selection of advisers, the scientific-methodological and material provision of the lawmaking process—everything should be organized for the deputies to realize that their desire to be absorbed in work meets with both understanding and a responsible attitude on the part of all the services and officials, no matter where the latter are employed. This, undoubtedly, primarily concerns the appropriate services of the Supreme Council, and these will be requested to treat deputies' work in an appropriate manner.

You should not consider this dilettantism. We must initiate the collective work of all the Supreme Council structures, wisely task all the deputies, so that everybody, including the state, sees the results of our work.

Excuse your opponents' harsh words and claims. Good luck!

Kravchuk Explains Stance on Elections

WS0806144194 Kiev HOLOS UKRAYINY in Ukrainian 4 Jun 94 p 4

["Excerpt" from speech by Ukrainian President Leonid Kravchuk at the Ukrainian Supreme Council plenary session in Kiev on 2 June 1994]

[Text] Esteemed people's deputies!

In my address to the Supreme Council, to you, I outlined my arguments regarding the June elections. Today, as well as yesterday, while analyzing the debate held here, I had the impression that the emphasis was only on the first argument, namely, the one concerning the need to postpone the elections. However, another important argument, that if the Supreme Council adopts appropriate laws, clarifications, the elections will have to be held, was not analyzed. I am not calling from this rostrum not to hold the elections. I have said, and I am still saying, and my viewpoint is that the elections should be held. They should be held, however, only if the legislative basis is adjusted to them. This is my position, and it is based on my conviction that otherwise we will completely lose control over the authorities.

If the elections are held without changing and amending the Constitution and laws, if the powers of local authorities are not precisely defined, we will have an uncontrolled situation, a total disarray of the Executive Branch. This is not simply a threat, but based on the experience of happened in 1990. Regarding the presidential office, it was introduced not simply because someone wanted it, but because the situation demanded it. This is first.

Second, if you carefully read the law on reforming local authorities and self-government, adopted by the previous Supreme Council, you will find a definition of the presidential office. I recall how your predecessors were cleansing this law, and how they did not want that such an office exist.

Suddenly, later, there was talk that the president must be elected.

Thus, I am asking you one simple and clear question: If this law entrusts the government with everything, what role is assigned to the president?

If the president is elected universally with these powers, and I see that there will be no other case, we will have in Kiev the president, the head of the state and the head of the executive authority, and we will lack of any presidential influence in the regions.

I am saying this to coordinate these issues.

If the Supreme Council really wants Ukraine to remain an independent, manageable, sovereign, and democratic state, as has been stated here, then, while adopting the resolution regarding the 26 June elections, or confirming it, the parliament must assume responsibility for preparation and adoption of the appropriate documents by 26 June. This should be written down in a resolution, the draft of which envisions that documents defining, in particular, the powers of the Ukrainian president, will be submitted by 12 June.

The powers of the Ukrainian president are defined by the Constitution, and you will not change them by any law, whether you want this or not. The Constitution must be changed. Is this realistically possible? If such a possibility do exist, let us do that. I support this. Moreover, I was the first to support a clear division of powers. The draft constitution, at my proposal, was amended with this very provision concerning the division of powers of the head of state and the head of Executive Branch. Yet, this must now be added to the current Constitution.

I would therefore like to refute any insinuations that someone wants to preserve himself in office, that the president signed the electoral law alone. But after that, the president submitted to the Supreme Council draft legislation concerning reorganization of governmental power.

You, speaking from this rostrum, insisted that it was not expedient to adopt them. Everything was written down clearly: Who is the president, what is the government, what is the judicial authority, and what is the Supreme Council. Nobody would have played a game of war anymore. You did not want it! A very interesting thesis recently appeared: Apparently, there is only one thing to be done, the law has to be changed that an oblast head be elected by deputies, and seemingly, everything will be fine.

But I am asking you, if an oblast head is elected by deputies, will the government be able to dismiss him? No. Will the president be able to do that? No. I have currently three times as much power vis-a-vis the Crimean president, as the newly elected president will have regarding an oblast or rayon head.

I am asking these questions, being led by my current feelings. Someone does not like the president standing here. I would like the president to be elected without ruining the state and the executive authority, that he be elected legitimately, consistently, and without insinuations that, apparently, we are currently resorting to legal cases because, apparently, people want this. Tomorrow, when everything collapses, the same people will come here, to the Supreme Council, and they will say that there are no pensions and other things, because there will be no money for the budget. Who will answer these questions and how?

I am saying, if we are to establish authorities, if are to establish new authorities, then let us establish it in a manner enabling it to work.

I repeat, the authority we are to elect will not work, and if it does work, it will have no control, given these laws. I do not want to be a prophet, as the saying goes, "in my own fatherland," but you will see a situation within a certain period. You will see and then speak out. Thus, I want us to approach this issue in a responsible manner.

If the Supreme Council drafts the appropriate laws, if it places all emphasis on the law adopted by your predecessors, there will be no doubt: I support the elections, I will support holding such elections.

Thus, my position on the local elections is clear.

Here is my second position, on the presidential election. The current status of the president is defined in the Constitution. If the president is elected according to this, then, believe me, no Supreme Council will be able to strip him of any power after he goes through all that torment. There is talk that these issues can be resolved in a referendum. This is interesting logic. We will first elect the president with powers in June, and in September we will hold a referendum on the question of which powers should we take away from him. So, what do we finally want? We only want to voice slogans. This is unrealistic.

Once again, I am calling on you, for you will bear the greatest responsibility. I want everyone to know that, because the presidential campaign has already begun. I am a presidential candidate, you were elected by the people. There is a legitimate, constitutional Supreme Council, though incomplete, since a third of deputies are not here, 9 million voters are not represented in the Supreme Council. Nevertheless, you are the legitimate, constitutional Supreme Council, and you bear the greatest responsibility for a way we will form the government. History must know of this. What sort of government we will form is the exclusive provenance of the Supreme Council. Any political passions, any insinuations—who wants what and how—must be rejected if we really love Ukraine.

I want us to establish strong executive authorities, legitimate legislative authorities, and the president with precise and clear powers. If we do that, there will be a need to go to the polls on 26 June. It does not matter who will win. I have never objected to that.

Confirms Candidacy

LD0806180694 Moscow ITAR-TASS in English 1727 GMT 8 Jun 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 8 June—Ukrainian President Leonid Kravchuk confirmed on Wednesday that he has not changed his mind to run for presidency in the presidential elections to be held on 26 June.

"Many good things have been done during my presidency," Kravchuk told ITAR-TASS. He admitted, however, that there were also mistakes, both subjective and objective.

"If I do not embark on the path of building and strengthening the state and pursuing the course of peace and accord, I would not be able to tell the people and myself why I did not do what I could," he continued.

"That's why the participation in the elections is the continuation of my desire to do everything possible so that Ukraine could continue to develop," Kravchuk said.

Belarus

Supreme Soviet Presidium Convenes Session

WS0906084394 Minsk Radio Minsk Network in Belarusian 1715 GMT 8 Jun 94

[Text] A session of the Supreme Soviet Presidium, headed by Vyachaslaw Kuznyatsow, first deputy to the Supreme Soviet chairman, was held to discuss a range of issues: The establishment of diplomatic relations between Belarus and the Federal Republic of Yugoslavia; some legislative acts of the Republic, regulating the mechanism of mutual accounts in a range of national sectors; adoption of a decision to award honorary titles and diplomas and Belarusian Supreme Soviet diplomas. A report by the Central Election Committee on the implementation of measures for holding elections for Belarusian president was heard.

Working Group Drafts National Security Concept

WS0906090294 Minsk Radio Minsk Network in Belarusian 1715 GMT 9 Jun 94

[Text] An interdepartmental working group, headed by Deputy Prime Minister Syarhey Linh, has drafted a concept of national security of Belarus, which was discussed and approved at a regular session of the Cabinet of Ministers. The essence of the concept of national security of Belarus is the ability of the state to protect national values and interests under specific exterior and interior conditions.

Premier Says National Bank To Stay Independent

LD0806111094 Moscow Russian Television Network in Russian 0400 GMT 8 Jun 94

[From the "Vesti" newscast]

[Text] Belarusian Prime Minister Vyachaslav Kebich has given an assurance that the National Bank of Belarus will not become a branch of the Central Bank of Russia. He said agreement on this had been reached with the Russian leadership. However, the Belarusian Council of Ministers refused to confirm or deny the prime minister's assertion.

Former Candidate Said To Join Opposition Presidential Team

WS0906085994 Minsk BELAPAN in Belarusian 1445 GMT 8 Jun 94

[Text] According to People's Deputy Syarhey Navumchyk, who is also the coordinator of the Belarusian Popular Front parliamentary opposition, Henadz Karpenka, a former contender for the presidential post, has agreed to join Zyanon Paznyak's presidential team. It is not ruled out, Navumchyk stated, that in the event of Paznyak's victory in the presidential elections Henadz Karpenka will be appointed prime minister.

The joining of Paznyak's team by this politician, in Navumchyk's opinion, is helpful in three ways: First, such a political personality would do credit to any democratic organization; this will also be helpful to the state in general. Second, this is an important step in unifying democratic forces in Belarus. Finally, Karpenka has good connections in Russia's political circles, which is also of great importance.

Presidential Candidates on First Potential Edict

WS0906102594 Minsk Radio Minsk Network in Belarusian 1715 GMT 9 Jun 94

[Text] What will the first presidential edict be? We can provide an answer to a certain degree because the candidates for president of Belarus—as their public statements show— have already specified their positions on the issue. When Vyachaslaw Kebich met with workers of the Minsk Margarine Factory, he stated that the first document to be signed by him in the highest post of the Republic will be an edict concerning combating crime. Alyaksandr Lukashenka intends to begin his office with a similar decision. According to Syarhey Navumchyk, campaign manager of Zyanon Paznyak, the first edict of the Belarusian Popular Front leader—should he be elected president—will sack ministers who are in charge of mass media in the Republic. As to Alyaksandr Dubko and Stanislaw Shushkevich, they wish to begin their careers with resolving economic issues. As it was declared at the first news conference by communist leader Vasyl Novikaw, his first edict will annul the presidential post in Belarus.

Council of Ministers Forms Military Inspection System

LD0806160894 Minsk Belarusian Foreign Ministry Department of Information in Russian 1702 GMT 8 Jun 94

[Text] By decree of the Council of Ministers of the Republic of Belarus, a military inspection has been set up under the Ministry of Defense. This subunit is given the power to monitor the training of troops, the state of hardware, and military-technical property.

Russian Air Force Unit Refuses To Clear Mine Fields

WS0906102494 Minsk Radio Minsk Network in Belarusian 1715 GMT 8 Jun 94

[Text] A former training ground—situated in the (?Krichev) Rayon—of the 40th Russian Air Force Group has caused big problems for the local administration. To use this territory in the interests of the rayon, mine clearing, and land improvement should be carried out, and the housing of the small garrison should be repaired. The rayon executive committee addressed the command staff of this unit and the Belarusian Defense Ministry asking for help. However, foreign servicemen refuse to

perform this work. Therefore, the rayon executive committee addressed the Mogilev Oblast Executive Committee to plead with the Belarusian Government to resolve this issue on an intergovernmental level.

Moldova

Dniester Defense Minister Opposes 14th Army Withdrawal

AU0806143994 Chisinau BASAPRESS in English 2000 GMT 7 Jun 94

[Text] Chisinau BASAPRESS, 7/6/1994—"Moldovan leadership's decision not to insist on the 14th Army's withdrawal in the summer of 1994 during the ninth round of negotiations is without doubt a positive fact," told BASA Stanislav Khazheyev, defense minister of the self-proclaimed Dniester Republic. General Khazheyev mentioned that it is unreal for the withdrawal to take place by 1 July 1994. He said that several years are needed for the 14th Army's withdrawal. He also pointed out that Dniester representatives who take part in the negotiations will have the possibility to make public their position on this matter. Khazheyev said that he is confused that the Dniester representatives took part in the negotiations only as observers. "The Dniester Republic should take part in the talks with full rights," he said. Khazheyev pointed out that the Tiraspol Supreme Soviet's decision to pass the 14th Army's property to Dniester will not be annulled.

Gagauz Leader Assesses Turkish President's Visit

AU0806173794 Chisinau BASAPRESS in English 1945 GMT 6 Jun 94

[Text] Comrat, BASAPRESS, 6/6/1994—Turkish President Suleyman Demirel's visit to Comrat and Ceadar-Lunga districts is of historic importance. He was the first Turkish president to visit the region inhabited by Gagauzians, stated to BASA Stepan Topal, president of the self-proclaimed Gagauz Republic. According to him, "this visit will strongly foster Gagauzians' national rebirth in many areas as well as the parliamentary settlement of the problem regarding Gagauzians' self-determination." The credit worth $32 million, which Turkey granted Moldova to develop the Southern districts will accelerate the social-economic development of these districts, said Topal.

Gagauz Leader Pledges To Maintain Ties With Dniester

AU0806142594 Chisinau BASAPRESS in English 2000 GMT 7 Jun 94

[Text] Chisinau BASAPRESS, 7/6/1994—"The visit of the Turkish President Suleyman Demirel to the districts densely inhabited by Gagauzians to learn about the economic, social, and political problems of the south of the republic will not affect the relations of cooperation and friendship between the Gagauz republic and the Moldovan Dniester republic established according a bilateral agreement," stated Stepan Topal, president of the self-proclaimed Gagauz republic, at a press conference held last evening in Comrat. "Though the political situation of Gagauzia and Dniester differ, we will maintain the relations with this region and with all countries that support us. While the major states promote a large policy, we, Gagauzians, accept the foreign support and have the chance to develop strongly in the next 5-10 years. To prosper, Gagauzians need a sociopolitical stability in the region, which we hope will be achieved in the near future with the adoption by the Moldovan Parliament of the spectral juridical status." Referring to the $35 million credit offered by Turkey to Moldova, Topal said that there already exist concrete projects for its utilization. It is stipulated that $32 million will be allocated for water supply to the southern districts of Moldova, and the remaining $3 million for the creation of the respective infrastructure. Referring to Suleyman Demirel's opinion on the Gagauz problem, Stepan Topal stated that: "The President of Turkey has emphasized that this is a Moldovan internal affair. Suleyman Demirel is satisfied with the fact that his visit to Moldova laid the foundation to the settlement of this problem." According to Topal, Comrat is absolutely sure of the fact that "Turkey considers Gagauzia a means of penetrating the markets of Moldova, the Ukraine and Russia."

Comrat Parliament Discusses Gagauz Juridical Status

AU0806165794 Chisinau BASAPRESS in English 1945 GMT 6 Jun 94

[Text] Comrat, BASAPRESS, 6/6/1994—The Gagauz Supreme Soviet Presidium decided to summon on 9 June an ordinary session of the Gagauz Parliament. Vasili Neikovchin [name as received], spokesman of the Gagauz Parliamentary Presidium, stated to BASA that the deputies will examine the final variant of the "Gagauz-Eri-Gagauzia" project of special juridical status for Gagauzians. After the project is finalized it will be presented to the Moldovan Parliament. Peru Buzaji, chairman of the Gagauz Parliamentary Commission for settling the problem of juridical status, stated to BASA: "During the last four months of negotiations with the similar Moldovan Parliamentary Commission led by Ion Ungureanu and meetings between Moldovan and Gagauz officials, practically, a convenient compromise has been reached. This time it seems that the Moldovan Parliament has no reason not to adopt this project as a fundamental law for Gagauz people's autonomy." He pointed out that it is very important "that the future Moldovan Constitution will have an article recognizing the Gagauz people's existence." Buzaji also specified that there were disagreements between the Chisinau and Comrat leaders on the first two articles, Articles 12, 25, etc. Article 22, for example, states that Moldova will be responsible of security and defense in the region. Buzaji said that the Gagauz side insisted that the soldiers of the districts densely inhabited by Gagauzians be not

involved in combat operations without the Gagauz Parliament's consent and the written consent of each soldier. "We made many compromises but we are not going to give in any more, because Gagauz people will not admit and not forgive this," said Buzaji. "We hope that the current Moldovan leadership is aware of the realities and that it will be the parliament's decision to offer Gagauzians the historical chance to self-determination, national rebirth and their development as a nation."

Official Reiterates Autonomy Plans for Gagauzia

AU0806142994 Chisinau BASAPRESS in English 2000 GMT 7 Jun 94

[Text] Chisinau BASAPRESS, 7/6/1994—"After Turkish President Suleyman Demirel's visit to Moldova, the draft law on spectral juridical status for the districts densely inhabited by Gagauzians has not been changed," stated to BASA Victor Greben-scicov, presidential counselor. According to him, the Turkish president gave no directives to the Comrat leaders in this regard. "The Comrat leaders had previously received several foreign delegations at a quite high level which, in my opinion, were useful for all sides," added Grebenscicov. He noted that the Turkish president insisted on preservation of Moldova's integrity. "I do not share the opinion of those who say that the law on status for the districts densely inhabited by Gagauzians would lead to Moldova's federalization," specified Grebenscicov. He pointed out that the draft law supposes decentralization. "This implies a broad autonomy and not a republic," he said.

Party Criticizes Government 'Antinational' Policies

AU0806142494 Chisinau BASAPRESS in English 2000 GMT 7 Jun 94

[Text] Chisinau BASAPRESS, 7/6/1994—"Though they follow different objectives, Suleyman Demirel [president of Turkey] and Mircea Snegur realized that they can attain them at the same chess table," states the newspaper of the Moldovan Christian Democratic People's Front (FPCD) TARA (THE COUNTRY). "The Chisinau authorities, which work hard to ruin our national prospect on this territory, would like someone to pay for their debts. They take advantage of Turkey's interests in this segment of the East European political space. At the same time, Turkey's intentions to use in its interests the situation, which was created by the process of creating the second Romanian state, are more than obvious. Turkey at last will set a strong control over this area." The strongest move the Turkish president has made in this political chess game is the use of the Gagauz problem, says the newspaper, adding that Suleyman Demirel considers Gagauzians "the representatives of a distinct branch of Turkish peoples," which "were the first to settle on this land." Thus, declaring that "Gagauzians will respect the territorial integrity of Moldova and welcoming the elaboration of the special juridical status for the southern Moldova, Suleyman Demirel is contributing to the annihilation of separatism, requesting in his turn the official recognition of Gagauzians as a native people of Bessarabia." Referring to the policy promoted by the present leadership, considered by the FPCD antinational, the article concludes: "Today this territory is mined with controversial geopolitical interests. We can soon live the frightening forecast of Mrs. Catherine Lalumiere, ex-secretary of the Council of Europe, who declared that Bessarabia, belonging a little to Russia, a little to the Ukraine and a little to Turkey, could be an area of interference of spheres of influence of these three states."

Deputy Prime Minister on Cabinet's Priorities

LD0806211094 Moscow INTERFAX in English 1805 GMT 8 Jun 94

[Text] The Moldovan Vice-Premier Ion Gutu told a news conference in Kishinev [Chisinau] on Wednesday [8 June] that in 1994 through 1997 the priorities of the new cabinet will be the strengthening of the economy, reforms, social security and the expansion of foreign trade. He also said that the government program of action will be discussed by parliamentary committees and then by a plenary session of parliament.

Gutu said the country has made certain financial achievements: in May the inflation rate was only 4 percent.

Falling production remains the main problem. In the first five months industrial production amounted to 71 percent of last year's level. The number of employed in industry dropped by a third. Many factories are sending their workers on unpaid leave.

Gutu said the government wants to suggest to parliament making urban land an article of trade, which in his opinion could attract foreign investments in the Moldovan economy.

Interior Ministry Changes Visa System

AU0806173594 Chisinau BASAPRESS in English 1945 GMT 6 Jun 94

[Text] Chisinau, BASAPRESS, 6/6/1994—Beginning 15 June, the holders of passports for traveling abroad issued by the Ministry of Interior will be allowed to leave the country without the authorization of the Visas Department of the Ministry of Interior, declared to BASA Chiril Panteleev, head of the Visas and Authorizations Department of the Ministry of Interior. The trip chart be made using the passport without informing the Ministry of Interior on the country and the purpose of the trip. The same modifications will be applied to the holders of passports for traveling abroad issued by the Ministry of Foreign Affairs before 1 January 1993. The passports will be valid for trips to any country for a period indicated on the first page of the passport. Such passports are valid for five years since the day of issuance, said Panteleev. No changes will be introduced in the procedures of granting emigration documents. Panteleev mentioned that people with passports issued by the Dniester organs will not be permitted to leave the country.

Kazakhstan

Nazarbayev Addresses Parliament on Economic Crisis

LD0906050594 Moscow ITAR-TASS in English 0442 GMT 9 Jun 94

[Report by ITAR-TASS correspondent Vladimir Akimov]

[Text] Almaty 9 June TASS—A regular plenary session of the parliament of Kazakhstan began here on Thursday [9 June] with a speech by President Nursultan Nazarbayev.

Prior to the session, the president had addressed the parliament in a message, advocating an acceleration of market-oriented reforms and suggesting a wide package of measures to take the country's economy out of the crisis.

The message was officially referred to the parliament secretariat on Thursday morning. In the afternoon the message is expected to be presented to the deputies for study and discussion.

According to competent sources, the message makes a political evaluation of the internal situation in the country and Kazakhstan's foreign-policy stand, and the reform process, and analyses the activities of state power bodies to implement the strategic policy of building a democratic state with a market economy.

At the same time the message defines key orientations of state policy consistently to carry out reforms in all spheres of economic and social life, strengthen Kazakhstan's statehood and the socio-political unity of the peoples inhabiting it.

The message formulates clearly political and economic goals and sets appropriate tasks to power and administration bodies for a subsequent period.

The presidential message is manifestly aimed at consolidating all branches of state power and all forces of society and at mustering the efforts of all political parties, movements and associations and all robust potential of the state with a view to taking the country out of the deep crisis, deepening reforms, contributing towards democracy and strengthening the Republic's sovereignty.

Parliament Ratifies Accords With PRC, Mongolia

LD0806151494 Almaty Kazakh Radio Network in Russian 1400 GMT 8 Jun 94

[Text] At its morning plenary session today, the parliament approved the agenda for two days. The law on entering amendments and additions in the code of administrative breaches was adopted on an article-by-article basis, in view of the adoption of the law on architecture and urban construction in the Republic of Kazakhstan.

The Supreme Council ratified an agreement on friendship and cooperation between Kazakhstan and Mongolia; an agreement between the Governments of Kazakhstan and China on the encouragement and mutual protection of investments; and the UN convention on children's rights. The parliament also ratified an agreement on the pensions and state insurance of the staff of the CIS Ministries of the Interior. Altynshash Zhaganova, chairwoman of the committee on culture, press, the media, and public associations, spoke on coverage of the parliament's work in the media.

Draft Treaty Calls for $115 Million Payment From Russia

LD0806163194 Moscow INTERFAX in English 1515 GMT 8 Jun 94

[Text] Russia may pay as much as $115 million annually to Kazakhstan for using the Baykonur space launching center under a draft treaty which Kazakh officials submitted to Russian negotiators.

Kazakh National Space Agency Director Aisultan Kalybayev told INTERFAX that the draft complied with the agreement that had been signed by Presidents Boris Yeltsin and Nursultan Nazarbayev on 28 March.

In particular, the launching pads and the buildings in the town of Leninsk will be rented by Russia for a term of 20 years, which may be extended for 10 more years.

Kazakhstan had earlier intended to have the rent increased.

Kalybayev also said that the electricity and water supply bills would be paid separately as would be those for temporary seizure of land area where parts of booster rockets might fall. The energy rates, he said, will not be higher than those paid by Kazakh consumers.

Kalybayev said the draft, which he had submitted to his Russian counterpart Yuri Koptev, will be finalized in Almaty. Koptev is also deputy chairman of the bilateral commission on Baykonur.

Kalybayev expressed the hope that officials from the two countries would meet no later than in mid-June.

Kyrgyzstan

Akayev's European Trip Exceeds Expectations

PM0806135594 Moscow IZVESTIYA in Russian 8 Jun 94 p 2

[Report by Valeriy Konovalov: "Just One Day in Paris—and $0.5 Billion in His Pocket"]

[Text] Brussels-Paris—The way this is done was demonstrated by last week's visit to Belgium and France by a Kyrgyz delegation headed by the president.

Approximately 40 Kyrgyz entrepreneurs and leaders of various firms and companies flew into Brussels and then into Paris from Bishkek in the presidential aircraft along with 10 officials. While the president was engaged in big-league politics, they insistently sought partners and tried to set up business contacts and to sign contracts.

The matter hardly got as far as contracts, however, although Akayev did bring the "new Kyrgyz" with him to no avail. In my view, he needed these fellow travelers for propaganda purposes above all. He wanted to show Europe the new form of the Kyrgyz economy in the flesh so as to convince it that reforms are taking place in the Republic not just in words but are giving rise to market structures and a stratum of entrepreneurs prepared to cooperate on equal terms.

Of course, this is just one of the arguments. The stability of the national currency—the som—and the lowering of the rate of inflation, which has now stayed below the 5-percent level for more than one month, proved no less important.

But the main trump card was the carefully elaborated three-year program for deepening economic reform, which has been rated highly by international experts. But the decisive assessment and, accordingly, the size of the funding had to be determined by a meeting of the World Bank's Consultative Group on Kyrgyzia, where the program was defended by Akayev himself.

According to preliminary estimates by Kyrgyz specialists, if that defense succeeded, the delegation could have collected $350-$400 million from various sources of funding. The result exceeded expectations. The preferential credits, investments, and free aid allocated totaled $550 million for the coming conventional fiscal year (it begins 1 July, so Kyrgyzia managed to enroll almost at the last moment).

Participating in the meeting, in addition to the organizer, were representatives of the IMF, the European Bank for Reconstruction, and Development, the Asian Bank, the Islamic Bank, and a number of other organizations and donor countries. The participants' contributions differ in size and terms. A sizable proportion of the credits, for example, has been allocated for 40 years with a 10-year deferment and at an almost symbolic interest rate.

In order to successfully realize the funds allocated and extend the reforms' funding, serious projects for cooperation with foreign firms are needed. A whole package of agreements in this regard was signed in Belgium and France. Kyrgyzia's proposals elicited considerable interest among businessmen here.

In particular, it is proposed to jointly work deposits of nonferrous metals, to extract rare-earth elements and bauxites, to deliver wool and cotton, to produce telecommunications equipment, to produce uranium, to process agricultural produce....

In general, emphasis is placed on setting up joint ventures in Kyrgyzia, which would like to become a supplier of all sorts of output to Central Asian countries. "We are virtually on the Great Silk Road," Akayev remarked, "and this is a very convenient position for winning a market in a vast region."

But Kyrgyzia clearly will not be able to exploit this opportunity by relying only on its own efforts, and so it is opening the door wide to cooperation. Of course, potential partners need reliable guarantees. Many are still scared off by political and economic instability in the region. Agreements on mutual protection for investments are one such guarantee. Another, in Akayev's opinion, is the fact that Kyrgyzia has joined the "Partnership for Peace" program, which happened at NATO headquarters in Brussels.

Will Kyrgyzia's participation in the "Partnership for Peace" program not complicate its relations with Russia, which, as is known, takes a special, complex approach to this NATO initiative? This question hovered persistently in the background at the ceremony at NATO headquarters and was asked at the final news conference. S. Balanzino, deputy and temporary acting secretary general of NATO, at once specified that it was a question not of any terms advanced by Russia but of the parameters of its participation in the program, which are still under discussion.

Askar Akayev supported that wording and declared that he voices full solidarity with the position of Russia, which, in his opinion, must participate in the program on different parameters to, let us say, Kyrgyzia or any other CIS country. Only in this case, he said, will the program play a role in ensuring peace and security in the CIS.

As for Kyrgyzia, according to Akayev, it is now reckoning on certain material support from NATO, above all, in conversion. In his opinion, the possibility of consulting and cooperating with NATO countries in the event of a threat to the Republic's territorial integrity will be important.

Tajikistan

Russian Commander: Border Situation 'Extremely Complex'

LD0906094494 Moscow ITAR-TASS World Service in Russian 0843 GMT 9 Jun 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Excerpts] Dushanbe, 9 June—The commander of Russian border troops in Tajikistan, Lieutenant General

Anatoliy Chechulin, has described the operational situation on a wide section of the Tajik-Afghan border as extremely complex. He said the situation had deteriorated seriously during the last few days. The general was speaking at a hurriedly summoned news conference to discuss the latest major provocation against Russian border guards in the zone patrolled by the Moskovskiy border detachment. [passage omitted]

These provocations, Anatoliy Chechulin stressed, are not the best prelude for the second round of inter-Tajik talks provisionally scheduled for 17 June in Tehran. The Russian general pinned the blame for the continued provocations both on the extremist wing of the Tajik opposition and on the civilian and military authorities in certain Afghan border districts, who pay lip service to stabilization of the Afghan border situation but, at the same time, directly facilitate the staging of these provocations. He declared that the most decisive measures would be taken against "the instigators and organizers of aggression," whom the general held entirely responsible for the possible consequences.

Russian Border Guards Come Under Artillery Fire

LD0906073594 Moscow ITAR-TASS in English 0647 GMT 9 Jun 94

[Report by ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe 9 June TASS—A border post of the Moscow unit on the Tajik-Afghan border came under heavy artillery and mortar fire from Afghan territory on Wednesday [8 June] morning. Twenty-six artillery shells and mines hit the post between 0610 and 0915 killing one soldier and wounding another, according to Lieutenant General Anatoliy Chechulin.

General Chechulin told a press conference here that both the soldiers were from a unit of Tajikistan's Defence Ministry assigned to reinforce the protection of the Tajik-Afghan border at the place.

The general stressed that the Russian border troops, none of which was hurt in the attack, were returning the fire.

The Russian commander said all responsibility for the consequences of the action must be taken by the Tajik opposition leader and military authorities of the Afghan border region, whose silent connivance made the major armed act of provocation possible.

Turkmenistan

Atayev, Iranian Deputy Foreign Minister Discuss Ties

LD0906055094 Tehran IRNA in English 0504 GMT 9 Jun 94

[Text] Tehran, 9 June IRNA—The Iranian deputy foreign minister for communication, Morteza Sarmadi, met the Turkmen foreign minister, Khalykberdy Atayev, in Ashgabat Wednesday [8 June] and discussed with him matters of mutual interest.

Conveying Foreign Minister 'Ali Akbar Velayati's message to his Turkmen counterpart, Sarmadi called Tehran-Ashgabat relations as "very good" and expressed hope for further expansion of bilateral cooperation in economic, diplomatic, and cultural areas.

Sarmadi, currently heading a delegation in Turkmenistan, also underlined the need for boosting bilateral cooperation within the framework of Economic Cooperation Organization (ECO) and organization of the littoral states of the Caspian Sea.

The Turkmen president underscored the importance of the Islamic Republic of Iran as an "island of peace" and said expansion of Tehran-Ashgabat ties would be in the interest of the region.

He hoped for the speedy construction of the railroad connecting Turkmenistan to Iran to enable the Central Asian republics to be connected to other parts of the world.

The two sides also exchanged views on the latest developments in Central Asia.

Armenia

Grachev Arrives; Karabakh Issue on Agenda

LD0806165694 Moscow ITAR-TASS in English 1646 GMT 8 Jun 94

[By ITAR-TASS correspondent Tigran Lyloyan]

[Text] Yerevan June 8—Russian Defense Minister Pavel Grachev arrived today in the Armenian capital. "It is a scheduled visit connected with a summer training season that has started in Russian troops deployed in Armenia," the minister told ITAR-TASS Upon his arrival.

According to Grachev, during his visit the question of Russia's military bases on the Armenian territory should be settled together with that of the deployment of Russian peace-keepers in the Karabakh conflict area.

Grachev told TASS that, although his visit to Azerbaijan was not scheduled, he will go there at the request of Azeri President Gaydar Aliyev. Russian President Boris Yeltsin has okayed his several hour stopover in Baku, the minister added.

Grachev said that he will insist that the agreements drafted by defense chiefs of Russia, Armenia, Azerbaijan and Nagorno-Karabakh "should be signed by all means." "No one will decide for us," the minister stressed.

To Tell Azeris To Accept Peacekeepers

LD0806175494

[Editorial Report] Moscow Ostankino Television First Channel Network in Russian at 1700 GMT on 8 Jun, in the "Novosti" newscast, carries a report on Russian Defense Minister Pavel Grachev's arrival in Armenia. Speaking on his latest proposal on the introduction of Russian peacemaking forces in the Azeri-Nagorno-Karabakh conflict zone, Grachev makes the following comment:

"The agreement—which I consider a good one—should definitely be signed if the sides want peace. On 11 June I will go from Georgia to Azerbaijan for a few hours. I will plainly tell Azeri President Geydar Aliyev that I support the agreement signed in Moscow. I will tell him that if Azerbaijan does not agree to it I will simply walk away from this issue."

Comments on Talks With Officials

NC0806210794 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 8 Jun 94

[Text] Armenian President Levon Ter-Petrosyan today received Russian Defense Minister and Army General Pavel Grachev and the delegation accompanying him.

The question of granting the status of a military base to the Russian Federation Army units stationed in Armenia, the prospects of implementing the current plan for the peaceful settlement of the Karabakh problem, matters pertaining to the organization of Armenia's air defenses, and a number of other issues were discussed during the meeting.

State Minister Vazgen Sargisyan, Defense Minister Serzh Sargisyan, and Interior Minister Vano Siradegyan participated in the meeting.

Russian Defense Minister and Army General Pavel Grachev granted an interview to an ARMENPRES correspondent. Replying to a question on the purpose of his visit, he said that he is visiting Armenia at the invitation of Armenian President Levon Ter-Petrosyan to conduct talks on a number of military-political matters, particularly on cooperation between the two countries within the framework of the collective security agreement. The minister said that the [word indistinct] conditions for the deployment of the Russian Army units in the Republic will be discussed. Grachev added that matters relating to the Karabakh-Azerbaijani conflict will also be discussed during his visit to Armenia and meetings with the Republic's leadership. In this connection, he specifically emphasized that Armenia and Karabakh have signed the agreement on peaceful settlement of the conflict worked out with Russian mediation, whereas Azerbaijan has so far refrained from doing so. Therefore, after his visit to Georgia on Saturday he will go to Baku to meet Aliyev to propose that Azerbaijan finally sign the agreement.

Commenting on whether the number of Russian troops could be increased in Armenia, Grachev noted that there could only be talk of reducing them.

After his meeting with Armenian President Levon Ter-Petrosyan, Mr. Grachev told reporters that he is satisfied with the results of his talks with the Armenian president. The president and the Armenian people desire to have Russian bases on Armenian territory within the framework of the collective security agreement and on a bilateral basis to jointly ensure the security of Armenia and Russia. The Armenian president reiterated support for the implementation of that agreement [on Nagorno-Karabakh], which we formulated in Moscow, said the Russian defense minister. He added that he will leave for Baku on 11 June with these impressions and will ask Aliyev to once more reassess the situation and sign the agreement. He expressed the hope that after that a real and stable peace will be established in Nagorno-Karabakh.

Visits Russian Troops

LD0906075594 Moscow ITAR-TASS in English 0717 GMT 9 Jun 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan June 9 TASS—Russian Defence Minister Pavel Grachev, who arrived in Armenia on Wednesday, is visiting today the Russian troops deployed in the republic. Grachev is familiarising himself with the course of military training, supplies to the troops and their daily life.

The Russian minister told ITAR-TASS that he intended to meet officers, sergeants and soldiers to discuss priorities.

On Wednesday, Grachev and Armenian President Levon Ter-Petrosyan discussed the deployment of Russian military bases in Armenia. According to an agreement signed by the two countries' leaders, a Russian motor-rifle division has been deployed in Giumri and a regiment has been based near Yerevan.

Grachev was satisfied with the level of cooperation with the Armenian Defence Ministry. He called the interaction between the Armenian national army and the Russian troops deployed in Armenia "the best possible".

The Russian minister is scheduled to meet the leadership of the Armenian Defence Ministry later today.

Meets With Ter-Petrosyan

LD0806185794 Moscow ITAR-TASS World Service in Russian 1650 GMT 8 Jun 94

[By ITAR-TASS special correspondents Tigran Liloyan and Mikhail Shevtsov]

[Text] Yerevan, 8 Jun—Russian Defense Minister Pavel Grachev, who arrived in Yerevan today, met Armenia's President Levon Ter-Petrosyan this evening. He received the consent of the head of this state to the establishment of Russian military bases on Armenia's territory.

Pavel Grachev said that the final calculation of the number and armaments of Russian troops in Armenia will be agreed upon at by experts tomorrow. The Russian minister said that an agreement on Russian military bases in Armenia will in all probability be signed by 1 September of this year. He said that, as is intended, the motorized rifle division in Gyumri and the morotized rifle regiment in Yerevan will remain in Armenia. The general made it clear that it is intended to supply more equipment to the Russian troops with more to make them mobile in the air.

Levon Ter-Petrosyan agreed that within the framework of ensuring CIS collective security, it is necessary to set up an air defense system on Armenia's territory. Touching on the agreement on a cease-fire and the disengagement of troops in the zone of the Armenian-Azerbaijani conflict, Pavel Grachev said that Armenia's president confirmed his readiness to keep to the accords reached.

Tomorrow, the Russian military delegation will continue its work in Armenia, will visit Russian military facilities, and will fly to Tbilisi in the evening.

Parliament Accepts Foreign Investments Law

NC0806204994 Yerevan SNARK in English 1630 GMT 8 Jun 94

[Text] Yerevan, June 8 (SNARK)—Today Armenian Parliament accepted the Foreign Investments Law.

Speaking to the Parliament of Armenia Tigran Sargisyan, chairman of the finance and budget commission, said that the foreign investors are supplied not only with the same modes as the citizens of the republic but also with the certain privileges to stimulate the in-flow of the foreign capital. "We can't achieve certain success in privatization and other spheres without foreign investments", said Tigran Sargisyan.

According to the law, the foreign investors can 100 per cent own the enterprises distributed on the territory of Armenia. Meanwhile, they have the right to acquire securities and create joint ventures in Armenia.

Foreign investments in Armenia are out of the nationalization.

Georgia

Defense Minister Holds News Conference on Abkhazia

LD0806205894 Tbilisi First Program Television Network in Georgian 1600 GMT 8 Jun 94

[Text] [Correspondent] Lt-Gen Vardiko Nadibaidze, minister of defense of the Republic of Georgia, held a news conference devoted to issues relating to the building of a regular national army.

In the opinion of the minister, the Georgian Army should be mobile and small, numbering between 10,000 to 15,000 people. A military doctrine on army construction is to be examined by the Defense Ministry Collegium in the next few days.

Regarding the Defense Ministry, its administrative apparatus should be reduced by 50 percent. Savings resulting from this reduction should be used to help soldiers, veterans of the Abkhazian war, and the families of the war dead. It was said at the news conference that special consideration would be given to problems facing servicemen who had returned from Abkhazia. The minister decided to meet each serviceman individually and find out in person what kind of assistance they need.

The minister stressed that everything must be done to create normal conditions of military service for soldiers. The provision of food for soldiers and other routine problems they must deal with every day should be addressed from the center.

On the issue of the military police, the defense minister recalled how selflessly its members fought in the Abkhazian war and said it had been reorganized to take on the

new duties of [word indistinct]. A new system of military police service is to be introduced.

Georgian Defense Minister Vardiko Nadibaidze discussed the deployment of Russian peacekeeping troops in Abkhazia, stressing that the security zone had become considerably wider [as heard]. It was decided the joint headquarters of peacekeeping troops will be based in Sukhumi. There will be two more headquarters, one in Gali and another in Zugdidi.

In connection with the current situation in Gali Rayon, the defense minister stated the following:

[Begin Nadibaidze recording, in Russian] The situation has stabilized. I am receiving reports from there literally every day. Gen Kurashvili, who is the commander in charge of that direction, returned from there today. No deterioration in the situation has been registered there. The situation is stable and everyone is anticipating the introduction of peacekeeping forces. [end recording]

[Correspondent] At the end of the news conference, Lt-Gen Vardiko Nadibaidze said he regards as extremely important a visit to Georgia by Russian Defense Grachev, who is to arrive in Tbilisi tomorrow.

Welcomes Peacekeepers' Deployment

NC0806203994 Yerevan SNARK in English 1620 GMT 8 Jun 94

[Text] Tbilisi, June 8 (SNARK)—The peace-keeping forces' deployment in the zone of the Georgia-Abkhazian conflict will be not only a guarantee of stability but also will promote building of the Georgian Army. Vardiko Nadibaidze, Georgian Defence Minister, declared of it at a press-conference in Tbilisi. He also reported that the peace-keeping forces will be composed of 3 battalions from the Urals, St. Petersburg and Siberian military districts.

The united headquarters of the peace-keeping forces will be placed in Sukhumi and the local ones in Gali and Zugdidi. The security zone, where the refuges' return is planned, will stretch till the town of Ochamchira. Mentioning the special role of Russia in the cause of Georgian Army building, the Minister said the later should be united, scanty-10-15 thousand people and mobile". Nadibaidze also said he hoped Russian Defence Minister Pavel Grachev would arrive in Georgia after finishing his visit to Armenia.

Estonia

Churkin: Russian Troops May Be Withdrawn by 31 Aug

LD0806144494 Moscow INTERFAX in English 1329 GMT 8 Jun 94

[Text] The Estonian-Russian talks on troop withdrawal will be continued in Moscow "maybe even next week," Russian Deputy Foreign Minister Vitaliy Churkin announced in Tallinn today.

Commenting on the results of his two-day meetings with Estonian Foreign Ministry Vice Chancellor Raul Malk, Churkin hoped that the parties would agree that social guarantees be given to retired Russian servicemen living in Estonia. Churkin said there must be a special document for preventing possible tension between Tallinn and Moscow. The document must be realistic and conform with the highest standards in human rights, Churkin pointed out.

Churkin did not rule out that Russian troops could be withdrawn from Estonia by August 31, 1994.

Russia conditions the troop withdrawal with social guarantees for retired Russian servicemen in Estonia (there are about 11,000 of them). There are currently about 2,300 acting Russian servicemen in Estonia.

Commenting on the recent statement by Estonian Defense Force Commander Aleksander Einseln saying that if the appropriate order were received, force might be used to push out Russian servicemen who would remain in Estonia after August 31, Churkin said, "We have absolutely no doubt that the position of Estonia consists in settlement of all problems by political means, through negotiations. The position of Russia is the same."

Calls Deadline Not 'Unrealistic'

LD0806135794 Tallinn Radio Tallinn Network in Estonian 1300 GMT 8 Jun 94

[Text] Russian Deputy Foreign Minister Vitaliy Churkin, who left Tallinn at lunchtime today, stated at a briefing he gave at the airport that, if the will is there, 31 August is not at all an unrealistic deadline for the withdrawal of Russian troops. According to Churkin, a firm basis by way of a firm agreement is required, however, to (?resolve) issues in such an energetic manner. According to Churkin, a realistic agreement on Russian military pensioners must be concluded so as to eliminate tensions in Estonian-Russian relations.

During his two-day visit to Tallinn the Russian deputy foreign minister continued talks begun in Geneva with Raul Malk, the deputy chancellor of the Estonian Foreign Ministry, on Saturday [4 June]. Churkin also met with Estonian Prime Minister Mart Laar, Foreign Minister Juri Luik, and President Lennart Meri.

Einseln Says Defense Forces Could Expel Russians

PM0806134194 Moscow KRASNAYA ZVEZDA in Russian 8 Jun 94 p 1

[Igor Golin report under "KRASNAYA ZVEZDA and Agency Correspondents Report" rubric: "Estonian Military Flexing Its Muscles?"]

[Text] Tallinn—The following BNS (BALTIC NEWS SERVICE) report has been circulated in Baltic countries' mass media: Estonian Defense Forces Commander Alexander Einseln has stated that the Estonian Defense Forces can easily cope with the Russian military grouping stationed in Estonia and, if necessary, can expel the "Russian militarists" by force.

"We are ready to to this if we are given such an order," Einseln stated. The agency points out that currently there are approximately 2,500 Russian servicemen in Estonia, the deadline for whose withdrawal has still not been agreed, while the Estonian Defense Forces have between 5,000 and 6,000 soldiers.

Churkin Comments on Einseln Remarks

LD0806122794 Moscow ITAR-TASS in English 1140 GMT 8 Jun 94

[By ITAR-TASS correspondent Albert Maloveryan]

[Text] Tallinn June 8 TASS—Commenting on the recent statement by the commander of the Estonian defence forces, General Einseln, on the readiness of the troops loyal to him to use force, if ordered, in the event of Russia's failure to withdraw its troops by August 31, spokesman for the Russian Ministry of Foreign Affairs Vitaliy Churkin said today that his country judged about Estonia's position by "responsible statements of responsible officials" and was sure that Estonia, just as Russia, favoured political solutions to all problems.

Churkin was speaking after a two-day meeting with his Estonian counterpart Raul Malk, which was held in pursuance of the accord reached during Russian Foreign Minister Andrey Kozyrev's recent meeting in Tallinn with Estonian President Lennart Meri.

Churkin said the problem of the Russian military pensioners residing in Estonia remained in the centre of negotiations between Estonia and Russia, and expressed the hope that "a new page, and probably even a new chapter" will open in Russian-Estonian relations thanks to this and other forthcoming contacts.

Churkin said his talks in Tallinn centered around the withdrawal of Russian troops and the dismantling of Russian atomic reactors in the training centre for Russian submarine power plant operators in Paldiski. Churkin expressed confidence that the sides would reach an agreement which would be "realistic and rule out any tension in relations between the two countries".

As concerns the Russian military pensioners residing in the republic, Churkin expressed the confidence that the agreement on their fate will "also be realistic and meet the world's highest standards in the field of human rights".

Sweden's Premier Pledges Aid for Nuclear Fuel Removal

WS0906112194 Tallinn ETA in English 1718 GMT 8 Jun 94

["News Release"]

[Text] Visiting Sweden's Prime Minister Carl Bildt on Wednesday pledged aid to nuclear fuel removal from a former Soviet nuclear training base at Paldiski in north west Estonia saying obstacles to be passed in order to start with the process were of political, not technical nature.

"We have some possibilities of helping," Bild told the press after visiting the reactors together with his Estonian counterpart. Bildt said that prospective aid included both technical and social assistance referring to aid to residents who might want to leave Paldiski. He did not, however, specify the amount of resources Sweden was willing to allocate for that purpose.

Estonian Prime Minister Mart Laar also said that technically everything was ready for the removal and Russia only had to pass a decision on starting dismantling of the reactors.

"Technically, everything is ready and we could see that with our own eyes," Laar said while adding that the date remained uncertain as even the head of the Russian training centre in Paldiski, Admiral Aleksandr Olkhovikov, could not tell the exact date.

Bildt expressed hope that dismantling would be started within a couple of weeks adding that, fortunately, his fears on high radiation near to reactors had proved groundless.

On answering the question on Russian military pensioners, the issue where Latvia made concessions to Russia, Bildt said he had discussed it at his meeting with Russian Foreign Minister Andrey Kozyrev in St. Petersburg in early May saying Latvia and Estonia were completely different and that Estonia could not copy Latvia.

"... any agreement that must be reached must be reached within the framework of Estonian legislation," Bild said.

Talking on prospective troop pullout, Bildt said: "That will be a very important day to Europe, because the Russians will be leaving Germany, they will be leaving Latvia and, of course, they must leave Estonia as well."

Bildt also met President Lennart Meri expressing his country's support to unconditional troop pullout by August 31 deadline. Foreign Minister Juri Luik also attended the meeting.

Legislators Pass General Election Law

WS0806112394 Tallinn BNS in English 1511 GMT 7 Jun 94

[Text] Tallinn, June 07, BNS—The Estonian parliament, with votes 63 for, nine against and three abstentions, today passed the law on general elections. The new law stipulates that members of parliament are elected by ballot in free elections by universal, equal and direct suffrage.

Estonian citizens who on election day are at least 18 years old have the right to vote, and citizens of at least 21 years of age may run for parliament. Legally incompetent citizens are deprived of the right to vote.

Under the Constitution, both regular and extraordinary parliamentary elections are declared by the president. Regular elections must be announced at least three months in advance. Extraordinary elections are to be announced within three days of when the need for them arises.

General elections will be financed from the national budget. The election campaigns of political parties, election coalitions and single candidates will get no funds from the state or local budgets.

The national election commission will register the candidates elected to the parliament and publish the final election returns with a complete list of persons elected not later than on the 10th post-election day. Parliament members will assume their duties on the day the election returns are published.

Latvia

Birkavs Says Foreign Policy To Remain Unchanged

WS0906081994 Tallinn BNS in English 0931 GMT 8 Jun 94

[Text] JURMALA, Jun 08, BNS - Latvia's foreign policy must remain the same after resignation of Foreign Minister Georgs Andrejevs, Latvian Prime Minister Valdis Birkavs said Tuesday at a press conference.

Birkavs stressed that the Saeima's [parliament] Latvian Way faction and the leading coalition must consider the appointing of a new foreign minister.

The new minister has rights to appoint his state ministers and the parliamentary secretary, said Birkavs.

Presently Gunars Meierovics, Olgerts Pavlovskis and Martins Virsis still occupy their posts.

Birkavs refused to name any concrete candidate to the post of the foreign minister.

Birkavs noted that, while he is performing the duties of the foreign minister, he wanted to make several important steps in the ministry's work because coordination of the Foreign Ministry's activities with other ministries' work is needed.

Cabinet Supports Formation of Baltic Council

WS0906083094 Tallinn BNS in English 0931 GMT 8 May 94

[Text] RIGA, Jun 08, BNS - The Latvian Cabinet confirmed Tuesday an agreement on cooperation among the Baltic states' governments and parliaments. The agreement provides for formation of the Baltic Council, Latvian Justice Minister Egils Levits said at a press conference.

The formation of the Baltic Council means that there will be institutional cooperation among the Baltic prime ministers, ministers and parliaments as to coordinating their policies in legislation, economy, foreign trade, culture, transport and communication, said Levits.

The Baltic Council will consist of the Baltic Assembly, which was founded in 1991, and the Baltic Ministers Council. The Baltic council's resolutions will refer to all the Baltic states.

Levits considers that formation of the new institution will promote cooperation among Latvia, Lithuania and Estonia.

The agreement on formation of the Baltic Council will be signed on June 13 in Tallin, during the meeting of the Baltic ministers.

The Baltic Council will be formed after the model of the Nordic States' Council.

Lithuania

Round of Talks With Russia Completed

WS0906103294 Tallinn BNS in English 1749 GMT 8 Jun 94

[Text] Vilnius, Jun 08, BNS—The heads of Lithuanian and Russian negotiation teams said they are satisfied with the results reached at a round of talks in Vilnius June 7-8.

Viktor Isakov, head of the Russian delegation for talks with Lithuania, said the progress made in Vilnius is "modest, but nevertheless a contribution" to the development of bilateral relations. The Russian negotiator said the deadlock over Russian transit through Lithuanian territory remains the main problem, which also concerns Lithuania's most favored nation trade status.

The Russian diplomat said the connection between transit and trade appeared last year when talks on Russian troop withdrawal from Lithuania were coming to an end, and was confirmed at all further meetings between negotiators, as well as by the agreements signed.

Virgilijus Bulovas, head of the Lithuanian working group for talks with the CIS, said the talks were "constructive" and added that "more time and efforts are needed" to resolve the remaining problems. Bulovas said both sides agreed that Belarussian representatives should take part in talks on transit.

Isakov implied that the status of the Kaliningrad region in Lithuanian-Russian talks does not differ from the status of any other Russian region. The Russian diplomat said Kaliningrad can be granted special status only if such a law is adopted in Russia.

At a joint press conference Wednesday, both delegation leaders confirmed that Russian military transit through Lithuania was not discussed in Vilnius and that both sides only exchanged views on the issue. The only document signed during the Vilnius meeting was an agreement on the basic principles of settlements between Lithuania and Russia. The accord was signed by representatives of Lithuanian and Russian central banks. Negotiators initialled an agreement on cooperation between customs and virtually completed preparation of an agreement on contract employees.

Isakov said the next round of talks is likely to be held before September. The exact date will depend on the work of experts, he said. Discussing issues that may be discussed at the next round of talks, Bulovas mentioned mutual travel, cultural values, nuclear energy, fishing and environment protection.

Agenda Reduced; Results 'Unlikely'

WS0906073994 Tallinn BNS in English 1314 GMT 8 Jun 94

[Text] VILNIUS, Jun 08, BNS - The two-day round of Lithuanian- Russian talks that started in Vilnius Tuesday is unlikely to produce as many results as were expected by the Lithuanian side.

Before the meeting, Russia did not comment on any possible results whereas the Lithuanian side said it expects to make progress in a number of issues, including Russian transit through Lithuania and implementation of bilateral economic treaties that have been signed earlier.

But according to unofficial reports from the Lithuanian Foreign Ministry, the number of issues on the meeting's agenda was considerably reduced and primary attention is paid only to several most important problems.

On Tuesday, Lithuanian and Russian negotiators initialed an agreement on contract employees. The accord mainly deals with social guarantees to people temporarily employed in one of the two countries.

The Russian delegation refused to discuss a draft agreement on additional border crossings between Lithuania and the Kaliningrad region, saying it has no such authorizations.

The Lithuanian side once again suggested to clear up the region's status in the process of Lithuanian-Russian talks. Russian negotiators said the problem can be resolved by a special Russian law.

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